

**EFFECT OF STRATEGIC IMPLEMENTATION ON ORGANIZATIONAL
PERFORMANCE OF COMMERCIAL BANKS IN MERU COUNTY, KENYA**

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DECLARATION AND RECOMMENDATION

Declaration

This thesis is my original work and has not been presented for a degree or any other award in any other University.

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DEDICATION

I dedicate this thesis to My dear wife Carol, my sons Bredan, Jayden and Shawn. To my beloved dad, Jason Kirimi, for supporting me through all my stages of life and to my deceased mum who always dreamt the best of my life.

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ABSTRACT

An increment of non-performing loans within the commercial banks, have negatively affected the implementation pace of new strategies in branches such as in Meru. The general objective was to examine the influence of strategic implementation on organizational performance of commercial banks in Meru County, Kenya. The specific objectives were to evaluate the influence of resource allocation, strategic alignment, process development and change management on organizational performance of commercial banks in Meru County, Kenya. The four theories of the study are theory of management by objectives, theory of change, resource-based view theory, and institutional theory. Descriptive research design was used to collect data from 19 registered commercial banks in Meru County, as the unit of observation. The respondents were 19 branch managers, and 152 banking staff. In determination of samples, the study used purposive to sample 19 managers and simple random method to sample 91 staff. The study conducted a pilot study in two microfinance banks which are Faulu and Kenya Women Micro finance institutions. Questionnaires were analyzed using SPSS to generate descriptive and multivariate analysis. The interview results will be analyzed by thematic method. The correlation coefficient indicated that resource allocation, strategic alignment, process development, change management had a positive influence on organizational performance. The recommendations on resource allocation are that senior management should ensure that there is impartiality in organizational politics to minimize its interference with even resource distribution among the commercial banking departments. On strategic alignment, the bank management could consider including strategy alignment as an area of concern in the mentorship programs in place. On process development, the commercial bank's management could consider sensitizing the issue of cyber management within the banking departments. On change management, the management should strengthen its policy framework that ensures that the staff are accorded a chance to be involved in strategic formulation.

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ABBREVIATIONS AND ACRONYMS

AML	Anti-Money Laundering
CBK	Central Bank of Kenya
IBP	International Budget Partnership
IMF	International Monetary Fund
KeMU	Kenya Methodist University
KIs	Key Informants
KNBS	Kenya National Bureau of Statistics
NACOSTI	National Commission for Science, Technology & Innovation
SPSS	Statistical Package for the Social Sciences

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Aguilera et al. (2023), organizational performance is defined as the ability of an institution to accomplish the anticipated strategic goals and objectives through adequate use of human capital and systems. It is through the assessment of organizational performance that the suitability of implemented strategies towards attaining the mission and vision of the institution is determined. Banking is one of the most vibrant sectors in the economy, which upholds the integrity of money circulations (Cayman Islands Monetary Authority, 2022). It encourages savings, deposits, withdrawals, and loan services. Therefore, a robust strategic management and implementation team has an essential role in providing precise action plans that could steer its organizational performance to the desired levels.

In this study, organizational performance was measured through value of transactions, operational efficiency, customer retention, and compliance and risk management (USAID, 2021). The development and implementation of diverse strategies is meant to satisfy the dynamic needs of the customers, who are inclined to excellence and efficiency in operations. According to Gandrita (2023), this connotes that delivery of banking services requires a clear strategic implementation plan that incorporates the staff. Attainment of organizational performance by the commercial banks in global, regional, and local points of view is not always guaranteed, hence requiring foundational strategies that can withstand a test of time.

1.1.1 Global Perspective

Globally, most commercial banks in Florida have faced the challenge of a lack of adequate strategic managers that have the relevant experience and skills to align strategies in departments (Elshahawy, 2024). This has resulted in increased prioritization conflicts in the implementation phase by various staff, whereby each departmental member focuses on different strategies, hence wasting organizational resources. This has also been noted by the International Monetary Fund (IMF, 2021), which reported that organizational resources were being wasted due to poor coordination of team members in the strategic process development of Belgian banks. There was poor communication of resource allocation to departments, hence ending up utilizing resources in ineffective areas. In China, Li (2024) revealed that as a result of the appetite for cryptocurrencies by commercial banks, the strategic managers have faced the challenge of executing strategies on a risky trajectory. This has exposed the organizational finances to imminent losses related to fraud and money laundering. Furthermore, a study by Jafri (2020) noted that as a result of poor monitoring and evaluation of strategies by commercial bank managers in Pakistan, implementing strategies has been marred with inefficiencies and increased cost of operations. This is because of workplace errors from staff who have inadequate training on strategic implementation techniques.

1.1.2 Regional Perspective

Regionally, there has been poor communication and training in Nigerian commercial banks, particularly on how the implementation process of strategies is to be done (Onyegbula et al., 2023). This has increased confusion among the operational staff, causing resistance to change and overall conflicts of personal interests. Additionally, system failure

has delayed the implementation of strategies, causing massive losses of profits in South African commercial banks. As noted by Giugale and Gündüz (2024), Egyptian strategic managers in banks have been faulted with a lack of commitment to support the decision-making implementation process among the departmental staff. Difficulties in Tanzania's commercial bank have been cited by Mwita (2023) to emanate from poor leadership skills, especially due to weak management roles in implementation. The major concern has been categorized as the existence of a rigid organizational culture that does not allow quality strategic feedback mechanisms.

1.1.3 Local Perspective

Locally, Yegzaw and Imiru (2024) lack of teamwork has been the central concern in Kenya, emanating from unclarity of who is accountable for strategic implementation responsibilities in the banks. This is a specific issue, particularly in the context of the division of roles and responsibilities within the branch level and headquarters. The scope of operations in which the strategic managers operate has been noted to be confusing such that the entire burden of formulating is accorded to senior management, whereas the implementation process is unaddressed. Furthermore, Muthaura (2021) notes that there has also been a loss of focus whereby the management has been overconcerned with errors made on alignment of goals to strategic implementation, neglecting other factors such as clarity of goals and management of strategic change among the staff. This, therefore, has negatively affected the organizational performance of commercial banks in Kenya. These concerns within the spectrum of commercial banks could be addressed by implementing strategies based on resource allocation, well-developed processes, alignment of operations, and change management.

1.1.4 Strategic Implementation

Strategic implementation is the execution of the formulated management plans through banking processes that allow the allocation of resources and consistently monitor any unforeseeable risks (Tawse & Tabesh, 2021). This process ensures that strategies are executed through laid-down processes and policies that articulate the vision and mission of the organization. Strategic implementation was measured through resource allocation, alignment, process development, and change management (Iyobhebhe et al., 2024).

Resource allocation is the process of methodical allocation and management of organizational assets such as staff, tools, funds, and time in order to successfully and efficiently accomplish organizational objectives (Yeboah et al., 2023). This is done to ensure there is clarity on objectives and to develop checks and balances to allow timely attainment of goals through the application of available resources. Therefore, strategic managers, being the overseers of the implementation process, are more concerned with the objectivity and reliability of resource allocation actions that actualize the laid-down strategies to achieve the desired goals.

Alignment of strategies is the management of resources, organizational culture, and expertise for a specific project of the organization with a desire for the attainment of strategic goals on planned time (Kyalo, 2023). This process reduces internal inefficiencies that would interfere with the strategic implementation process. Alignment of strategies is done through the development of financial budgets that seek to provide direction on the number of resources needed to implement a strategic goal. According to the International Budget Partnership (IBP, 2024), the discipline of adhering to budget limits, maintaining a

positive culture, and developing organizational goals is essential towards increasing efficiency and ensuring accountability of proposed actions and the final results.

Process development is the development of risk assessment measures to identify, evaluate, and establish control measures to eliminate any weaknesses limiting strategic implementation from taking place (Tawse & Tabesh, 2021). The commercial banks, being responsible for the process of circulation of currency, face different forms of risk. This means that as they implement strategies, it is paramount to ensure loss is eliminated, if not avoided, in their operational processes. According to Karoney (2022), process development is a continuous activity that provides the management with clear patterns of risky business for purposes of implementing sustainable strategies.

Change management is the process of comparing the attained strategic outcome vis-à-vis the expectations and hence developing courses of action to deal with the transition process (Nguyu, 2022). This is a vital step towards the implementation of processes and technologies that make change necessary in strategic management. It provides the strategic team a chance to assess if attained goals are within the required thresholds or not. The team is also able to provide feedback on the main issues that have confronted them during the implementation process. Therefore, change management provides a constructive feedback mechanism that is anchored on results rather than projections (Ibrahim & Obuba, 2023). If the results attained are not within the desired parameters, causes of action to resolve the anomaly are provided.

1.1.6 Commercial Banks in Kenya

The banking sector in Kenya comprises 38 registered and regulated commercial banks. They operate in three tiers whereby the first tier is the large banks, the second tier is the medium banks, and the third tier is the small banks. They have various activities operating simultaneously, and strategic management is one of them. According to Njenga and Odollo (2023), strategic implementation processes in commercial banks continue getting threatened due to lack of management support. Once the management makes the strategic decisions, prioritization of other more urgent strategies affects their willingness to support other minor strategies (Geke, 2021). This means that regulation of funding, human capital, and overall approval of processes becomes a challenge.

Additionally, another challenge affecting the commercial banks includes failure to have a workable implementation plan, hence negatively affecting adequate resource allocation to various constituents of the strategic plans. Notably, Tarifi (2021) also complains of government regulations that may not align with the objectives of the commercial banks. For example, the regulation on the Anti-Money Laundering (AML) bill of 2024 has negatively affected the respective risk management strategies that were present in the commercial banks to combat money laundering (Financial Reporting Centre—Kenya, 2023).

Commercial banks in Meru County have also faced challenges in the strategic implementation process. According to Ibrahim and Obuba (2023), commercial banks in Meru have faced ineffective strategies due to the establishment of unrealistic expectations. These expectations have caused confusion, work-related stress, and increased tension while implementing the strategies.

1.2 Statement of the Problem

Commercial banks have a strategic goal of providing competitive products that are supposed to be developed consistently and at a stable pace to satisfy the changing demands of the banking market in Meru (Nguyu, 2022). Additionally, clarity in operational goals should always be aligned to the organizational mission and vision for sustainable operations efficiency and enhanced market share.

That notwithstanding, CBK (2024) noted an increment of non-performing loans [NPLs] from Kshs 576.1 billion to Kshs 657.6 billion from 2023 to 2024, respectively, in Kenyan commercial banks, which has negatively affected the implementation pace of new strategies in branches such as in Meru. The low-quality assets due to NPLs expose the organization to liquidity risk, hence forcing the managers to re-evaluate their poorly implemented strategies. According to Waisto et al. (2024), a delayed and poorly implemented process of strategies is not only costly but also time-consuming. Therefore, strategic managers have been faced with difficulties on how they could instigate changes in the operations to reaffirm clarity of processes for desired organizational performance.

A previous study like Yegzaw and Imiru (2024) considered how commercial banks in developing nations implemented strategies related to resources and capabilities of staff. Further, Onyegbula et al. (2023) considered how the entire Nigerian financial sector's regulatory agencies were implementing their strategies. Considerations were on technology, leadership, communication, resource availability, and the structure of the organization but not on clarity of goals, alignment, process development, and change management. Further

Locally, Ndegwa (2022) assessed strategic implementation but from government corporations in Kenya. In Meru County, a study like Ibrahim and Obuba 2023 examined the performance of commercial banks but from a spectrum of operational strategies such as quality, customer feedback, and innovation. However, strategic implementation aspects like resource allocation, alignment, process development, and change management were not addressed. The study sought to fill this gap by examining the influence of strategic implementation on organizational performance of commercial banks in Meru County, Kenya.

1.3 General Objectives

The general objective was to examine the influence of strategic implementation on organizational performance of commercial banks in Meru County, Kenya.

1.4 Specific Objectives

- i. To evaluate the influence of resource allocation on organizational performance of commercial banks in Meru County, Kenya.
- ii. To examine the influence of strategic alignment on organizational performance of commercial banks in Meru County, Kenya.
- iii. To determine the influence of process development on organizational performance of commercial banks in Meru County, Kenya.
- iv. To establish the influence of change management on organizational performance of commercial banks in Meru County, Kenya.

1.5 Research Hypothesis

H₀1: Resource allocation has no influence on organizational performance of commercial banks in Meru County, Kenya.

H₀2: Strategic alignment has no influence on organizational performance of commercial banks in Meru County, Kenya.

H₀3: Process development has no influence on organizational performance of commercial banks in Meru County, Kenya.

H₀4: Change management has no influence on organizational performance of commercial banks in Meru County, Kenya.

1.6 Significance of the Study

Strategic management members in the financial sectors may find relevant insights on various strategies that are implemented in commercial banks in Meru County. This information may be suitable in guiding their decision-making process on policy framework improvements. They could also get evidence through primary data collection, analyzed and reported on the suitability of various strategic policy frameworks towards enhancing the organizational performance. Additionally, the banking staff in commercial banks of Meru County may also consider this study relevant since they contributed much-needed information on how strategic implementation has affected their output level. This means that their responses reflected their roles and assessed if the overall implementation framework of management strategic decisions was working or not.

The government regulators may use the findings of the study in acknowledging the milestones attained on strategies implemented in the banking sector. They could consider

implementing the recommendations of the study in enhancing the strategies or in support of reviewing ineffective strategies. Customers, being the greatest stakeholders of commercial banks, may have a desire to explore the various strategies used by the management to enhance organizational performance. The details provided through interview responses may prove valuable in evaluating the ability of the bank's management to make sustainable strategies that seek to minimize risks and maximize organizational performance.

The public who may be interested in the strategic management of commercial banks may find this study relevant. This is because they would access direct interview opinions of the managers of what control measures were established on strategies, the formula for resource allocation at the branch level, risk assessment methods commonly used, and how they evaluate branch strategies to enhance organizational performance. Non-financial organizations would compare the kinds of strategies implemented at financial institutions and their efficiency levels. This may give them novel ideas on how they could tailor-make similar strategies in their line of operations for quality output. Further, future researchers in the field of strategic management would derive useful data related to implementation control, resource allocation, assessment of risk, and strategy evaluation. This data may be used to make comparisons with what they would derive in a similar topic.

1.7 Scope of the Study

This study was conducted in commercial banks located in Meru County, Kenya. Various aspects such as resource allocation, strategic alignment, process development, and change management were evaluated. The population of the study was the branch managers and various officers. The interviews were answered by the managers, while the officers

answered questionnaires related to the influence of strategic implementation on organizational performance. This study did not address the other types of strategic management, like the formulation of decisions. It took approximately 4 months (April to July, 2025) to complete this study.

1.8 Limitations of the Study

The Kenyan government, through the Anti-Money Laundering [AML] Bill, raised the amounts whose sources were required to be reported from \$10,000 to \$15,000 (Financial Reporting Centre – Kenya, 2023). The change of the AML law disrupted the strategic implementation processes present in the commercial banks to safeguard their organizational performance. This means that some of the previously applicable strategies that were well known among the staff to manage the risk of money laundering have changed, affecting the depth of information they can provide. To mitigate this limitation, the researcher capitalized on interviewing the managers as key informants [KIs] who were more experienced and had more updated information on formulated strategies. Their output strengthened the staff's responses on the questionnaires, hence providing robust findings that were updated and well balanced.

1.9 Assumptions of the Study

It was assumed that there were new policies implemented in the commercial banks related to recent government changes in Kenya on the AML bill. Further, it was assumed that there were adequate staff in each bank responsible for implementing strategies whereby the managers supervise the staff as they execute the strategies.

1.10 Operational Definition of Terms

Alignment of Strategies- is the management of resources, organizational culture, and expertise for a specific project of the organization with a desire for the attainment of strategic goals on planned time (Kyalo, 2023).

Change Management- is the process of comparing the attained strategic outcome vis-à-vis the expectations and hence developing causes of action to deal with the transition process (Nguyu, 2022).

Commercial Banks: These are the institutions regulated by the central bank and which are allowed to accept deposit and issue loans to qualified borrowers to pay back with interest (Tawse & Tabesh, 2021).

Compliance: Ability of the commercial banks to offer banking services through authorized channels and manner, by the government (Sakindi & Njenga, 2024).

Customer Retention: This is the process of developing attractive strategies that aim at ensuring that there is continued working relationship with clients (Sibonde & Dassah, 2021).

Operational Efficiency- is the process of delivering banking services swiftly in the shortest-turn-around time to a client (Mutisya et al., 2022).

Organizational Performance- is defined as the ability of an institution to attain the desired set goals and objectives through adequate use of human capital and systems management (USAID, 2021).

Process Development- is the development of risk assessment measures to identify, evaluate, and establish control measures to eliminate any weaknesses limiting strategic implementation from taking place (Tawse & Tabesh, 2021).

Risk Management: This is the ability of foreseeing a situation that would lead to loss of money and hence develop strategies to avoid it (Wambui et al., 2023).

Strategic Implementation-is the execution of the formulated management plans through banking processes that allow the allocation of resources and consistently monitor any unforeseeable risks (Tawse & Tabesh, 2021).

Resource Allocation- is the process of methodical allocation and management of organizational assets such as staff, tools, funds, and time in order to successfully and efficiently accomplish organizational objectives (Yeboah et al., 2023).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The second chapter entails the theoretical and literature reviews, which are provided in support of the variables of the study. There were a total of three theories, such as the theory of management by objectives, the theory of change, and institutional theory. The literature is given based on global, regional, and local studies that exist. Thereafter there is the conceptual framework that elaborates the relationship of variables in a diagram form.

2.2 Theoretical Review

The three theories of the study are theory of management by objectives, theory of change, resource-based view theory and institutional theory, as described in sections 2.2.1 to 2.2.3.

2.2.1 The Theory of Management by Objectives

The theory of management by objectives was developed by Drucker (1954) and guided resource allocation. This theory indicated that the objective-led kind of management enabled an organization to enhance its services through establishing well-thought-out and mutually agreed-upon objectives and allocating adequate resources. This meant that for the process of management to be complete, there was a need to have attainable goals that had been allocated resources based on the need for operations and the entire reason why an organization existed (Iyobhebhe et al., 2024). It depicted quality attainment metrics that anchored organizational values and also operational efficiencies.

The theory of management by objectives elaborated that resources were not only allocated but also communicated to the concerned parties to put operations in order (Jepleting et al.,

2023). This had to do with establishing foundational measures on how allocated resources were to be tracked and the role of each of the staff in meeting the specific goal requirements.

Resource allocation provided quality measures that the strategic teams could lay their desired targets to improve organizational performance in the commercial banks (Mwachuo & Kimaku, 2024). It was easier to operate in an environment where resources had been allocated to set goals with an aim of reducing ambiguity on specific tasks or clashing of roles. Strategic management staff were able to implement strategies if they were specific, measurable, attainable, relevant, and time-bound (Jafri, 2020). Specificity articulated the precision of an individual role in utilizing resources with an aim of attaining organizational mission and vision. Measurability of goals provided the extent to which a strategy needed to be implemented in a specific department that had adequate resources (Kyalo, 2023). This had to be realistic with working hours, days, and months for easier assessment and monitoring, since it is what gives a goal its relevance in acknowledging its worthiness vis-à-vis the utilized resources.

The theory of management by objectives was faulted by Develi (2023) for encouraging the staff to focus on attaining different goals with the organizational resources rather than ensuring that work ethics were adhered to effectively. That meant that the staff were willing to do what it took to attain their goals, even if it meant that they might use unscrupulous methods such as misuse of resources to attain the goals. Nevertheless, this weakness did not affect the study because in a bank, there were banking policies that guided how the staff conducted themselves, used available resources, and performed their tasks (Njenga & Odollo, 2023).

2.2.2 Theory of Change

Theory of Change [TOC] was developed by Weiss (1995) and guided change management. This theory provided the description of how and why specific change that was bound to take place within a known framework. It was considered a focal theory in elaborating the attainment of objectives within a spectrum of interventions as developed within the organizational set-up. According to Lebo et al. (2022), a description of specific outcomes was provided based on the changes that were bound to take place in an organization. This also entailed an explanation of what may be needed for the coming change as far as resource allocation and strategic decision-making were concerned.

In explaining change management, the theory connoted that assessment of the readiness of the organization to welcome and manage change is needed (Tawse & Tabesh, 2021). This was to reduce the chances of staff resistance to developed changes, hence derailing the desired goals. Notably, in the assessment of change, the establishment of structures within the organizational environment was needed to implement change. This was in terms of employee preparation, laying a policy framework foundation, and assigning leadership roles to managers to take responsibility for change. According to Sakindi and Njenga (2024), what matters in change management is the established policy frameworks in place and the preparedness of the staff to accommodate change in operations.

The theory of change was criticized for failing to put into perspective the external elements like political, economic, and social issues that may interfere with the implementation of change in an organization (Wesonga et al., 2024). All processes may be put into place, but without considering factors beyond the operationalization of the institution, they may delay

or hinder the chances of change taking place. This criticism also did not affect the study because the nature of the banks under consideration was branches; hence, an implemented change may have taken place in all other branches, hence the changes may have factored in the political, economic, and social environment.

2.2.3 Resource based-view Theory

The theory was developed by Wenerfelt in 1984 and guided strategic alignment variable. The theory noted that there were resources present in every organization and through which when adequately and consistently utilized, led to improved competitiveness against other similar institutions. Therefore, in relation to strategic alignment in commercial banks, possession of internal resources such as existing teamwork or collaborations among the staff and management was necessary in the process of development and implementation of strategic tasks by a team of workers who were in consistent communication with the management (Mburu, 2020).

The management by itself was responsible for ensuring that they created a friendly environment that allowed employee skills to thrive by their participation in the decision-making process (Tefera & Abebe, 2024). Additionally, the organizational culture of consistent learning and development promoted creative thinking and fresh perspectives that could accommodate constructive corrections and boost competitiveness, as far as internal resources were concerned. The practice of alignment to strategies in commercial increased the chance of an organizational goal being met with less resource wastage and increased efficiencies. The theory is however criticized on the basis that it advocates for consideration of internal resources as the only factor prompting competitiveness. There

were however other external factors that enabled institutions thrive and remain in business for a long-time.

2.2.4 Institutional Theory

The institutional theory was developed by Meyer and Rowan (1977) and guided process development. The theory stated that institutions had established systems, norms, practices, and social relationships that worked together to achieve a common goal. These factors provided the required ambience and social environment that was suitable for implementing a strategic goal and reducing environmental threats that faced an organization (Gewassa, 2024). In explaining process development, the institutional theory provided that different risk assessments were needed to ensure that all developed strategies were implemented effectively within the organization to improve the operations' efficiency (IMF, 2021).

This may involve digitalization of operations through the incorporation of ICT infrastructure to issue and receive commands. The instructions saved more on time and operational costs needed to implement similar responsibilities (Yegzaw & Imiru, 2024). Further on, the documentation of the process provided a clearer approach on how various stages of the process were supposed to follow each other to increase efficiency and minimize risks through identification, evaluation, and establishment of control measures to eliminate any weaknesses limiting strategic implementation from taking place. Over time, employee training was promoted to reduce chances of work errors and develop critical decision-making that was anchored on the organizational policies. Institutional theory was faulted by Ibrahim (2017) for lacking the ability to point out social inequalities and only paying attention to the structural aspects taking place in an organization.

However, since the objective was on process development, it became suitable to address structural dynamics.

2.3 Empirical Review

The studies reviewed under the empirical review section are based on resource allocation, strategic alignment, process development, and change management objectives, and they provide global, regional, and local studies in each subsection.

2.3.1 Resource Allocation and Organizational Performance

Allocation of resources by strategic management brings on board all the staff towards attainment of the desired outcome, with clear progress tracking established to reduce conflict and promote efficiency. Therefore, the influence that resource allocation has on organizational performance is discussed explicitly by different authors. Globally, Sumairah and Zainon (2024) assessed how Sharia Banking organizational effectiveness was impacted by comparative analysis of systems thinking application. A cross-sectional research design was adopted in this study to gather data from staff working in sharia banks in four countries through questionnaires. Notably, the study used stratified random sampling to select two hundred participants from Indonesia, one hundred and fifty from Malaysia, one hundred from Pakistan, and fifty from Yemen, making a total of five hundred participants.

Sumairah and Zainon (2024) found out that the use of system thinking applications in banking institutions enabled the management to plan on clear objectives and allocate resources on realistic and attainable goals. The findings demonstrated that a structured approach in resource allocation improved efficiency in organizations, which was

demonstrated in the development of strategies, making decisions, and flexibility. However, this study had a contextual gap since it concentrated on system thinking approaches.

Regionally in Ethiopia, Tefera and Abebe (2024) investigated how public commercial banks' performance was influenced by strategic planning. The study employed a descriptive survey research design. The survey included one hundred and sixteen managers and top employees from twelve branch offices in Harar city and Haramaya town. As a result, participants were equally picked from all branches. This study discovered that effective planning of operations and resources to be allocated in banks improved performance. This study established that an organization's mission statement defines its products and services. Further, the results of this study showed that the goals were regularly reviewed and updated based on market trends and resources allocated. Furthermore, the study discovered that defined objectives in the banking industry were critical in identifying the goals that needed to be reached and the particular resource allocation plans that management needed to meet them. Nevertheless, this study did not evaluate intensively how resource allocation settings influenced the performance of banks.

Locally, Wesonga et al. (2024) examined how Western Kenyan commercial banks were performing in the midst of strategic implementation practices. An explanatory and descriptive research design was used in the study. Through a census, three hundred participants were chosen from among Western Kenya's thirty licensed commercial banks. The results of this study demonstrated that banks perform better when their strategic objectives and goals are transformed into concrete actions and projects. Additionally, effective strategy execution in banks required managers to communicate strategic objectives and provide resources and initiatives consistently to staff. Wesonga et al. (2024)

suggested that bank managers and directors communicate on set goals and develop suitable resources for all employees on a regular basis, which boosted organizational performance. However, Wesonga et al. (2024) did not explain different resources allocated and their relevance in determining elements in the implementation of strategies.

2.3.2 Strategic Alignment and Organizational Performance

Alignment of strategies in an organization gives the entire workforce an opportunity to comprehend the contribution of their roles towards sustainability of the institution for a long-term perspective. They are able to note how their daily decisions to use resources and interact with each other and their implementation of expertise determine the improvement or decline of the organization. Therefore, the influence that strategic alignment has on organizational performance is also discussed explicitly by different authors.

Globally, Bshayreh et al. (2024) investigated how the performance of banks in developing markets is influenced by the balanced scorecard perspective. A questionnaire was distributed to fifteen Jordanian banks to obtain the relevant data. According to this study, banks should align and focus more on learning and expanding their viewpoint whenever they wish and adapt their services to new technologies. The study found that bank managers could easily identify the firm's strengths and shortcomings by using the balanced scorecard approach, addressing them early on to improve the performance of the organization. However, Bshayreh et al. (2024) focused on how balance scorecards can be utilized to improve performance, creating a gap for the current study, which will investigate the impact of strategic alignment on commercial bank performance.

Regionally, Monday et al. (2024) investigated the structural relationship between Nigerian deposit money banks' organizational performance and overall quality management. The study used a cross-sectional approach and standardized questionnaires to obtain data. Respondents, specifically bank managers, were selected using a selective sampling technique. A total of two hundred participants were chosen from 10 banks in Nigeria. The study found that certain practices, including governance, management of staff, data and assessment, strategic alignment, and process management, had a positive correlation with bank performance. According to this study, intensifying these practices could improve employee performance in deposit money banks. Nonetheless, this study had a contextual gap because Monday et al. (2024) did not thoroughly analyze how strategy alignment impacted performance.

Locally, Mburu (2020) examined how Kenyan commercial banks' competitive advantage was affected by strategy alignment. Data was gathered from two managers in each of Kenya's forty listed commercial banks using a descriptive research design. According to the study's findings, commercial banks needed to synchronize their strategies in order to have a competitive edge in the market. This study also came to the conclusion that banks should make sure that all employees participate in strategy alignment procedures so that they are informed of any new developments in the banking sector. Commercial banks should not place too much emphasis on strategy alignment without taking their financial capacity into account, according to Mburu (2020). Rather, management should find a balance to make sure that all procedures are carried out with consideration for their financial structure. However, Mburu (2020) only included top-level management and did not include middle- and lower-level staff in the study. In this case, the study may have

obtained biased information because managers may favor the organization; therefore, the current study will collect qualitative and quantitative data from all departments.

2.3.3 Process Development and Organizational Performance

The process of decision-making to get approvals on utilization of resources and other tasks is done in accordance with the risk management policies in place. In a banking organization, any decision that is made has to be assessed on its potential of exposing the institution to loss of funds, competition, and regulatory concerns. Therefore, the influence that process development has on organizational performance is discussed explicitly by different authors.

Globally, in China, Liang et al. (2025) investigated how commercial bank stability was influenced by digital financial development. This study focuses on imbalanced panel data collected for a period of eleven years, which included one hundred and eighty-seven commercial banks in China. The results of this study revealed that the expansion of digital banking increased the profitability and risk-taking capabilities of commercial financial institutions in China. The evaluated data demonstrated that the use of technology in banking procedures resulted in greater services supplied to clients and hence improved performance. According to the study's findings, commercial banks needed to invest more in training workers on how to use digitalized equipment, which would make it simpler for them to provide effective services and, as a result, increase bank productivity. However, the results of this study could have been biased considering Liang et al. (2025) utilized panel data. Therefore, the current investigation will bridge the gap by collecting both qualitative and quantitative data.

Regionally, Serge et al. (2024) assessed how Cameroonian financial institutions' financial performance was impacted by financial innovation. The study's research design was cross-sectional. Two hundred and ten participants were chosen from seventy-five Cameroonian financial organizations using convenience and purposeful sample techniques. The study employed a self-administered questionnaire to gather primary data. The results of the study demonstrated that a number of creative innovations within the banking sectors significantly enhanced their performance. According to this study, process innovation significantly impacts profitability, and banks should embrace innovation to boost profitability. Serge et al.'s (2024) findings made it clear that process innovation greatly enhanced bank performance; as a result, the current study will look more closely at how process development affects Meru County's commercial banks' performance.

Jepleting et al. (2023) examined how Meru County commercial banks' financial performance was affected by business process reengineering. A descriptive research survey approach was used in this study, and the target group consisted of 60 managers, three from each of Meru County's twenty commercial banks. Notably, the study used questionnaires to collect data from study participants. According to the findings of this study, reengineering of processes in commercial banks improved their productivity. Additionally, the study found that efficiency was improved by the ongoing adoption of new technology in the banking sector. The study also found that banks innovated their products and services to attract new customers and retain current ones. Nevertheless, there was a methodological gap in this study since the respondents were mainly managers and did not consider the opinions of other staff members.

Mutisya et al. (2022) explored how Kenyan commercial banks' performance was influenced by process innovation strategy. The study employed an explanatory research design. The study gathered data from both primary and secondary sources. The study's main participants were senior bank staff members from Kenya's second-tier commercial banks. One hundred and forty-four senior bank workers were the target group, and they were selected through the census method. The results of the study demonstrated that the operational efficiency of commercial banks was significantly impacted by the process strategies for innovation. According to this study, process innovation made processes easier, faster, and more convenient for clients. However, the current study scope was in Meru County to investigate how process development influences commercial banks' performance, as Mutisya et al. (2022) carried out the study in Kenya.

2.3.4 Change Management and Organizational Performance

In the cause of dispensing various services, organizations are bound to undergo change, but their ability to manage it has the ability to propel the institutions to higher performance. Therefore, the discussion on how change management causes an increment or a decrement of performance has been discussed at length by different authors.

Globally, Vinord and Duramany (2024) examined how commercial banks in Sierra Leone's performance was affected by organizational change. This study used a descriptive research design to gather data through interviews and questionnaires from fifty randomly selected employees. The results of this study demonstrated how change management affected the success of banks both presently and in the future, resulting in long-term profitability. According to Vinord and Duramany (2024), ongoing transformation requires incentives, effective communication, educational initiatives, and guidelines that discourage staff from

returning to outdated practices. Nonetheless, there was a contextual gap between the study conducted in Sierra Leone and the current study, which will be conducted in Meru County, Kenya, and the results may differ significantly due to regional differences.

Regionally, Teshale and Nidhi (2024) analyzed how change management and organizational performance of Addis Ababa's private commercial banks were influenced by corporate governance. Notably, this study utilized both qualitative and quantitative research methods. Four privately owned banks were chosen from a total of sixteen commercial banks that operate in Ethiopia using the purposive sampling technique, and two hundred and forty-six participants were chosen at random. The findings of this study showed that the staff viewed advances in technology favorably since it greatly improved their capacity to complete jobs fast, be more efficient, and produce higher-quality work. Additionally, Teshale and Nidhi (2024) discovered that implementing effective structural adjustments was crucial to enhancing the quality of services and reacting to changing demand. This study did not, however, address whether senior management effectively communicated with every staff member regarding changes in the organization.

Locally, Maangi and Man'ana (2023) examined how Kenya's commercial banks' performance was affected by change management. A case study with a descriptive approach design was used in this study. A purposive sample strategy was utilized to pick sixty-eight senior and middle-level managers from 5 financial institutions in Kiambu. The study found a favorable correlation between management, engagement with stakeholders, communications, and training/development strategies and commercial bank performance in Kenya. Nonetheless, Maangi and Man'ana (2023) did not give the theoretical framework that guided the study variables.

Further, Edewa (2021) assessed how Kenya's commercial banks' performance was impacted by change management. This study utilized a descriptive research approach and the census method to target forty-two commercial banks in Kenya. Notably, twenty-three banks responded to this survey, with managers serving as participants and answering the questionnaire. This study indicated that changes in the organizational design have an impact on the operational efficiency of commercial banking institutions in Kenya. According to the study's findings, changes in approaches to leadership within organizations have an impact on bank performance; therefore, strong and skilled management must implement new tactics in order to reach the intended targets. Notably, this study suggested that commercial banks establish frameworks to accept new technology advancements. Nonetheless, this study did not explain whether employees were offered on-the-job training to orient them on various changes done in the banks, more so the adoption of new technology. Furthermore, this study was conducted in Kenya at large, while the current study would be undertaken in Meru County.

2.4 Summary of Research Gaps

The gaps identified in resource allocation were that Sumairah and Zainon's (2024) study had a contextual gap since it concentrated on system thinking approaches. The current study will focus on how explicit goal setting enhances the performance of commercial banks in Meru County. Wesonga et al. (2024) did not explain different resources allocated and their relevance in determining elements in the implementation of strategies.

The gaps identified in strategic alignment were that Bshayreh et al. (2024) focused on how balanced scorecards can be utilized to improve performance, creating a gap for the current

study, which will investigate the impact of strategic alignment on commercial bank performance. Mburu (2020) only included top-level management and did not include middle- and lower-level staff in the study.

The gaps identified in process development were that Liang et al. (2025) utilized panel data, which could lead to author bias. Therefore, the current investigation will bridge the gap by collecting both qualitative and quantitative data. Serge et al.'s (2024) findings made it clear that process innovation greatly enhanced bank performance; as a result, the current study will look more closely at how process development affects Meru County's commercial banks' performance. The study conducted by Jepleting et al. (2023) had a methodological gap since the respondents were mainly managers and did not consider the opinions of other staff members.

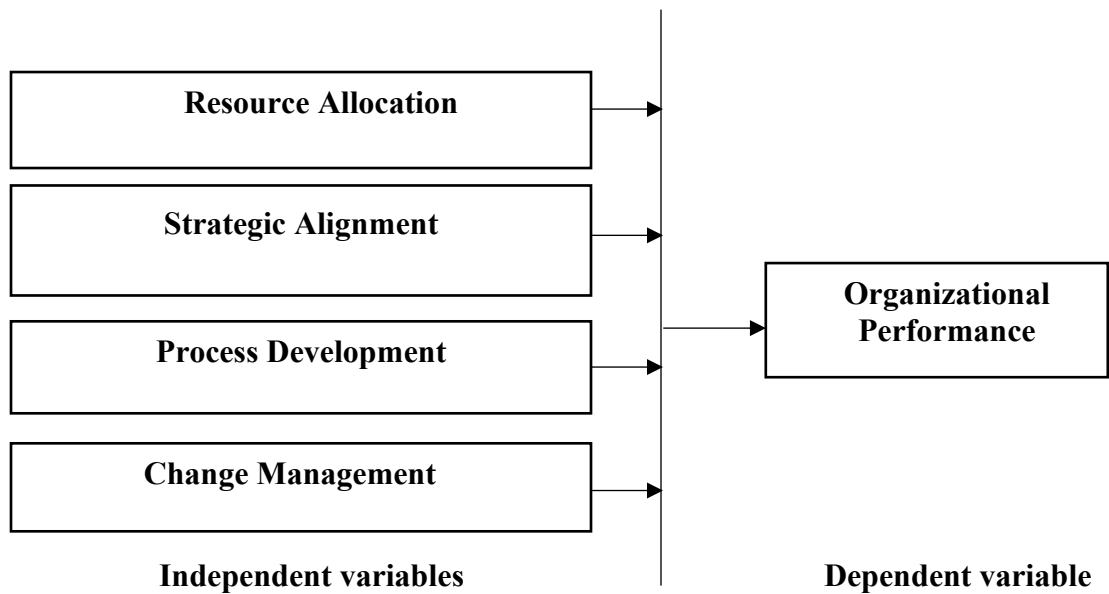
The gaps identified in change management were that Vinord and Duramany conducted the study in Sierra Leone; therefore, a conceptual gap existed since the current study will be conducted in Meru County. Teshale and Nidhi (2024) did not address whether senior management effectively communicated with every staff member regarding changes in the organization. Maangi and Man'ana (2023) did not give the theoretical framework that guided the study variables. Edewa (2021) did not explain whether employees were offered on-the-job training to orient them on various changes done in the banks, more so the adoption of new technology.

2.5 Conceptual Framework

Organizational performance was the dependent variable, while the independent variables included resource allocation, strategic alignment, process development, and change management. Table 2.1 reveals the conceptual framework of the study.

Figure 2.1

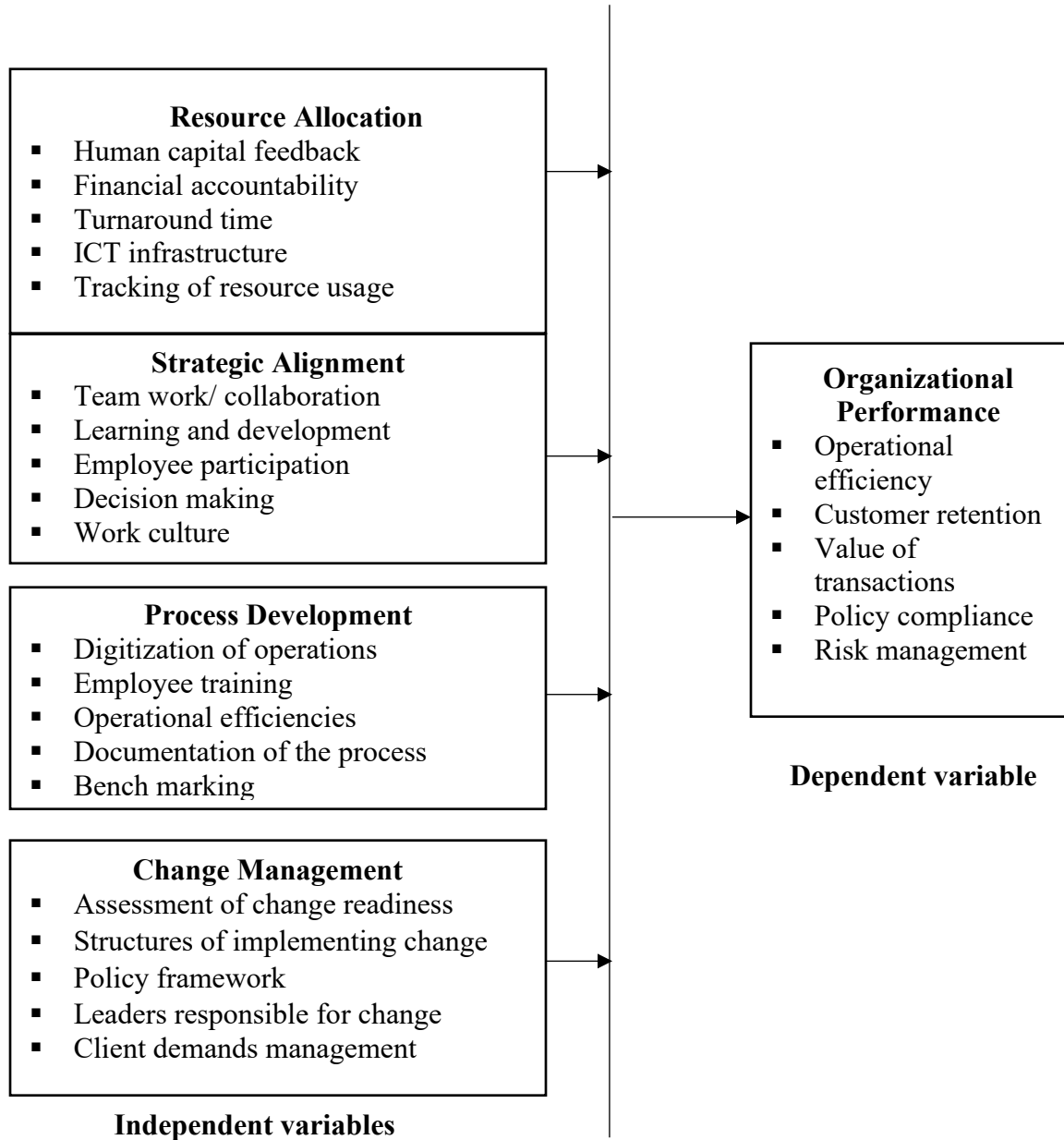
Conceptual Framework



Source: Researcher

Figure 2.2

Operational Framework



Source: Researcher

According to Figure 2.2, the dependent variable was measured through operational efficiency, customer retention, value of transactions, policy compliance, and risk management (Financial Reporting Centre, 2023; Tefera & Abebe, 2024). The first independent variable, which was resource allocation, was measured through human capital feedback, financial accountability, turnaround time, ICT infrastructure, and tracking of resource usage (Kyalo, 2023).

The second independent variable, which was strategic alignment, was measured through teamwork/collaborations, learning and development, employee participation, decision-making, and work culture (Mutisya et al., 2022). Process development, which was the third independent variable, was measured through digitization of operations, employee training, operational efficiencies, documentation of the process, and benchmarking (Karoney, 2022; Mwachuo & Kimaku, 2024). The fourth independent variable, which was change management, was measured through assessment of change readiness, structures of implementing change, policy framework, leaders responsible for change, and client demands management (Maangi & Mang'ana, 2023).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research methodology presented in this chapter includes the research design, target population, sampling procedure, instruments that were used to collect data, pilot study, validity, reliability, data collection procedure, its analysis, diagnostic tests, and ethical considerations.

3.2 Research Design

The process of data collection, analysis, and presentation requires a plan to be implemented effectively; hence, this is considered the definition of a research design (Dawadi et al., 2021). In this particular study, the study used descriptive research design as suggested by Siedlecki (2020) to collect data from the respondents and, in the process, assessed the relationship between strategic implementation and organizational performance and also described the characteristics of commercial banks in Meru County, Kenya. The design was relevant in determining how resource allocation increased organizational performance; when the alignment of strategies was effective to increase performance; where most processes were developed in the commercial bank's set-up to increase performance; and what changes had been introduced in the commercial banks related to strategic management.

3.3 Location of the Study

The study was conducted in Meru County, considered one of the 47 counties in Kenya. It is located within the coordinates of 0°3'N 37°38'E and covers an area of 7,006 km². The

county houses a population of 987,653, with males being 489,691 and females being 497,942 (KNBS, 2019). It is categorized as an agricultural county, contributing 7.6% of Kenya's agricultural production, with most of its economic activities revolving around agricultural food products such as maize, beans, vegetables, and others. The cash crops, such as tea, coffee, French beans, and khat, provide a market to export and gain meaningful revenue. Therefore, this has attracted business opportunities that have high revenue in circulation, hence the need for the high number of financial institutions such as banks, microfinance institutions, and SACCOs (Jepleting et al., 2023). The high revenue in circulation was a major consideration warranting the opening of the central bank branch to secure the finances of the region.

3.4 Target Population

The target population included 19 commercial banks that are registered to offer banking services in all three tiers and are currently operating in Meru County (Central Bank of Kenya [CBK], 2024). The respondents included 19 branch managers, 32 tellers, 22 customer care representatives, 38 loan officers, and 89 sales representatives (Ibrahim & Obuba, 2023; Jepleting et al., 2023). On the one hand, the managers were needed in the study to provide various monitoring and evaluation methods they had previously used to ensure that the strategic implementation patterns among the staff were desirable. On the other hand, the banking staff being involved in strategic implementation were instrumental in providing the method they have adopted and issues arising from the strategic implementation process.

3.5 Sampling Procedure

In the determination of samples, the study used two sampling procedures, which were purposive and simple random methods. In the purposive sampling procedure, a manager in each commercial bank was sampled, hence a total of 19 branch managers. The banking staff were sampled using a simple random method, which gave them a chance to be selected without discrimination. This was after determining their sample size by the Nassiuma (2000) formula, as shown:

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where:

n = Sample size

N = Population

C = co-efficient of variation as 0.3

e = standard error, as 0.02

In determination of the banking staff sample size:

$$n = \frac{152 \times 0.3 \times 0.3}{0.3 \times 0.3 + (152-1) 0.02 \times 0.02}$$

n = 91 staff

The sample population distribution is indicated in Table 3.1 whereby there were 19 branch managers and 91 staff who include 24 tellers, 22 customer care, 26 loan officer, and 19 sales representatives.

Table 3.1*Sampled Population*

Commercial Banks	Branch Manager s	Tellers	Customer Care	Loan Officers	Sales Reps	Total
1. ABC bank	1	2	1	1	1	6
2. National bank	1	1	1	2	1	6
3. KCB	1	2	1	1	1	6
4. Absa	1	1	1	1	1	5
5. Equity bank	1	2	2	1	1	7
6. Sidian bank	1	1	1	2	1	6
7. Consolidated	1	1	1	2	1	6
8. Co-operative	1	2	2	2	1	8
9. NCBA	1	1	1	1	1	5
10. Stanbic bank	1	1	1	2	1	6
11. Credit bank	1	1	1	1	1	5
12. DTB bank	1	1	1	1	1	5
13. Family bank	1	2	1	2	1	7
14. Housing finance	1	1	1	1	1	5
15. Bank of Africa	1	1	1	2	1	6
16. Prime bank	1	1	1	1	1	5
17. Standard chartered bank	1	1	2	1	1	6
18. Kingdom Bank	1	1	1	1	1	5
19. I & M Bank	1	1	1	1	1	5
Total	19	24	22	26	19	110

3.6 Data Collection Instruments

The branch managers were interviewed while the banking staff answered closed-ended questionnaires. The interview guides had three questions derived from the gaps identified in the literature review. Being in charge of leadership, branch managers were more knowledgeable on the formulation and implementation of strategies, how they were communicated to be made clear, methods used to align the strategies, different processes that exist, and how to ensure the staff had implemented the change management. The sections include background information on the managers, resource allocation, strategic

alignment, process development, change management, and organizational performance. The questionnaires had an ordinal Likert scale whereby 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. They had similar sections to the interview guides, with a total of five statements in each section. These statements guided the indicators of the variables as pointed out in the conceptual framework. The questionnaires were self-administered to ensure that a huge population of banking staff were able to fill in the questionnaires and return them swiftly.

3.7 Pilot Study

The study conducted a pilot study in two microfinance banks, which were Faulu and Kenya Women Microfinance Institutions. The two microfinances were selected since the nature of their operations is regulated by the CBK, which is similar to the commercial banks. Therefore, various strategic implementations may be similar with varying levels of revenue management. The pilot study's respondents included 2 branch managers, 2 tellers, 2 customer care staff, 4 loan officers, and 6 sales representatives. This was 10%, which was considered to be appropriate for a pilot study by Kunselman (2024).

3.7.1 Validity

Validity was determined in the study to ensure that the questionnaires and interview guide were able to measure what they were supposed to measure (Quintão et al., 2020). Content and criterion types of validity were examined. On content validity, the study consulted the opinions of experts (Quintão et al., 2020). These experts provided information on the questions that was accurate in terms of adhering to the strategic management concepts. Their feedback was used to calculate the content validity index of the study. Furthermore,

criterion validity, which assessed whether the questions were within the acceptable standards, was determined. This was made possible through comparing the study's results with what other authors in the field were able to derive as well.

3.7.2 Reliability

Reliability was determined through internal consistency measures such as the Cronbach alpha (Izah et al., 2023). Through determining where the opinions of the pilot population are suitably located on a range of 0-1, the reliability or unreliability of the questions was justified. According to Shodiya & Adekunle (2022), reliability is justified between 0.7 and above, whereas values less than 0.7 indicate that research instruments were unreliable. The reliability of a research instrument enables a study to determine if it can still be used in more than one study and expected to give similar outcomes in the future. This is because, as a study is developing new questionnaires and interview guides, their reliability has to be ascertained in terms of relevance in the field and framing of the questions that is founded on scholarly principles.

3.8 Methods of Data Collection

Obtaining data collection letters, ethical clearance, and a government permit (NACOSTI) were the first steps the researcher took before going to the field. Thereafter, the pilot test questionnaires and interviews were printed. They began by collecting the pilot test data and also administering the same instruments to experts for their opinions. It was until the pilot test study was done that one research assistant was hired to assist in distributing the questionnaires as the researcher conducted the interviews. The research assistant was

introduced to the study and offered basic training on presentation confidence and how to ensure the questions asked by the respondents were answered with utmost professionalism.

Thereafter, the printing out of the questionnaires and interviews for the main study was done while taking into consideration the pilot study respondents' and experts' suggestions on improvements. The researcher headed to the banks and requested the branch managers to be allowed to collect data. Their consent allowed the researcher to request their participation in the interview process. This was the first data collection exercise to take place before questionnaires were collected. This was to ensure the process of data collection did not disrupt the banking operations, hence leading to low-quality responses. While conducting the interviews, the responses were noted down on a piece of notepad for further analysis. The interview took approximately 30 minutes to complete, and hence I thanked the managers for their time.

Immediately the interviews were complete, the managers were asked to help in identifying the tellers, customer care staff, loan officers, and sales representatives. These respondents were requested for their consent, and after they agreed, they were issued the questionnaires. They were requested to answer the questionnaires within a period of 30 minutes, after which the filled-in questionnaires were collected and stored in a safe place.

3.9 Methods of Data Analysis

The study analyzed both quantitative data from questionnaires and qualitative data from the interview guides.

3.9.1 Analysis of Quantitative Data

Questionnaires that were collected from the respondents were sorted to eradicate the incomplete from the complete ones. Thereafter, the responses were entered in SPSS, due to its suitability in determining the relationship between variables. Additionally, it had been used by previous studies in the process of analysis authenticating its relevance. Therefore, it was used to derive the descriptive and multivariate analyses were determined. The frequency, percentages, mean, and standard deviations were provided as descriptive statistics. Additionally, model summary, ANOVA, and regression coefficients were provided as measures of both linear and multiple regression. This was to test hypotheses and to determine the general objective and coefficients. The outcome was presented through tables and figures.

The model of the study is as follows:

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

β_0 is the constant term

Y=Organizational Performance

X_1 =Resource allocation

X_2 =Strategic Alignment

X_3 =Process Development

X_4 =Change Management

e = the error term.

3.9.2 Analysis of the Interview Responses/ Qualitative Analysis

The interview results, which constituted the qualitative data, were analyzed by the thematic method. This was a technique that involved constituting subjective topics based on what the responses provided. It allowed the study to lay a foundation on important topics of discussion to elucidate them further. Therefore, this enabled the study to provide an exhaustive explanation of possible areas that were addressed by the respondents while taking note of any specific quotations that directly related to the question in perspective.

3.10 Diagnostic Tests

3.10.1 Heteroskedasticity Test

This is a test that involves determining if there is a presence of outliers in data that is about to be analyzed (Shinkyu, 2023). Through heteroskedasticity, the study was able to determine if the constituents of data were evenly distributed or clustered together. If the former was showcased, the data was determined to be okay, but when the latter was present, outliers were envisioned. Therefore, this called for a second review of data to eliminate the data that was not consistent with the rest.

3.10.2 Autocorrelation Test

In this test the study used Durbin Watson to test if strategic implementation had an influence on organizational performance or if there was an abnormality (Kim, 2021). On the one hand, when the value was less than 2 but greater than 0, it indicated a positive correlation. On the other hand, if the value was more than 2 but less than, a negative correlation was determined. Either of the results was important in finding out what the interaction effect between strategic implementation and organizational performance was portraying.

3.10.3 Multicollinearity Test

The presence of multicollinearity in data is considered detrimental since it reduces the quality of data on individual independent variables (Kyriazos & Poga, 2023). This meant that each of the variables, such as resource allocation, strategic alignment, process development, and change management, needed to be distinct from each other. When they were not distinct, it indicated that there was a multicollinearity issue. Therefore, this test was determined through tolerance and Variance Inflation Factor [VIF]. The tolerance value had to be more than 0.2, while the VIF should be less than 5.

3.10.4 Normality Test

The study also conducted this test to establish the authenticity of data in portraying that it had been gotten from a normal population. This was a population that had respondents that agreed while others disagreed with various statements. The Kolmogorov-Smirnov method was used, whereby the significance value has to be more than 0.05 (Khatun, 2021).

3.10.5 Linearity Test

The linearity of the data was determined to explain the relationship between resource allocation and organizational performance, strategic alignment and organizational performance, process development and organizational performance, and change management and organizational performance. Establishment of a linearity test provided a chance to authenticate that the data analyzed was able to support linear regression analysis depending on the nature of the variables. This meant that as long as the significance value was more than 0.05, data was considered linear (Djaballah-Djeddour & Tazerouti, 2022).

3.11 Ethical Considerations

The respondents were required to provide their consent on their willingness to take part in the study. This enabled the study to explain what the study was about, its purpose, and why their opinion mattered. Additionally, the names and other personal details of the respondents were kept private to enable confidentiality. Therefore, the respondents were not required to provide these details anywhere in the study. Further on, the study also sought for the consent from the respondents and allowed them to agree or not without coercion and when the respondents who did not feel comfortable taking part in the study, they were allowed to withdraw from answering the questions. The study maintained ethical standards such as obtaining data collection letters, ethical clearance, and government permits (NACOSTI). This was to authenticate that the study was academic-based; hence, the results could only be used for academic purposes only.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter covers reliability results, response rate, background information, diagnostic tests, descriptive statistics, interview results, inferential statistic results, and multiple regression results.

4.2 Response Rate

The study issued questionnaires and interview guides to various respondents in the commercial banks. Their responses are as shown in Table 4.1.

Table 4.1

Response Rate

Item	Respondents	Sampled	Response	Percentage
Interview	Interview Respondents	19	15	79%
Questionnaire	Questionnaires Respondents	91	73	80.2%
Grand Total		110	88	80%

Table 4.1 shows that 15 (79%) of respondents agreed to be interviewed, while 73 (80.2%) staff returned completed questionnaires. In general, this was a response rate of 80%, which was deemed excellent according to Mugenda and Mugenda (2003). The study ensured that the relevance of the study in relation to the professionalism of the banking sector was explained at length. This included an explanation of the relation of the study to best banking practices, especially with relation to strategic implementation. Additionally, the study also

ensured that the process of data collection was done within timelines that the respondents were not busy, which included early morning or late evening for improved participation rates. The results also agree with Holtom et al. (2022), who also had a high response rate by noting that providing the questionnaires in the morning proved effective since most of the day's activities had not yet commenced.

4.3 Reliability Results

As part of ascertaining the reliability of the data collection instruments, a pilot study was conducted, and the findings are presented in Table 4.2.

Table 4.2

Reliability Results

Instrument	Cronbach's Alpha
Resource allocation	0.925
Strategic alignment	0.786
Process development	0.874
Change management	0.918
Organizational performance	0.853
Average	0.871

The results in Table 4.2 demonstrate that the Cronbach Alpha coefficient for resource allocation is 0.925; strategic alignment is 0.786; process development is 0.874; change management is 0.918; and organizational performance is 0.853. Given that the average Cronbach Alpha Coefficient is 0.871, more than 0.7, this suggests that the instruments were reliable. According to Shodiya and Adekunle (2022), a coefficient larger than 0.7 demonstrates reliability. This was an indication that the data collection instruments had

reliable internal consistency and could thus be dependable to provide reliable results. In further emphasis, Andersson et al. (2024) indicated that on the one hand, when the reliability results were closer to 1, the stronger their internal consistency was. On the other hand, when the reliability results were further from 1, it indicated significantly weakening internal consistency.

4.4 Validity Test

The study similarly provided the data collection instruments to the four experts randomly selected from various banking professions to note if they were valid. Their responses were analyzed through the content validity index. Table 4.3 provides the results for the questionnaire and interview guide.

Table 4.3*Content Validity Index*

Questionnaires		
Professionals	Scores	Validity
Professional 1	32/33	0.97
Professional 2	33/33	1
Professional 3	30/33	0.91
Professional 4	30/33	0.91
Total		3.79
Average		0.95

Interview Guide		
Professionals	Scores	Validity
Professional 1	17/19	0.89
Professional 2	18/19	0.95
Professional 3	18/19	0.95
Professional 4	18/19	0.95
Total		3.74
Average		0.94

As per the results provided in Table 4.3, the average index for the questionnaires is 0.95, while for the interview it is 0.94. According to Barros et al. (2020), the content validity test should be more than 0.7 for validity to be ascertained. Therefore, the results implied since the instruments indicated values greater than 0.7, it is an indication that they have strong content validity and hence are suitable to be used in the study. This is because they had clarity and relevance in the examination of the influence that strategic implementation had on performance.

4.5 Background Information

In each of the data collection instruments, the study had questions that measured the background information of the respondents as described in sections 4.4.1 and 4.4.2.

4.5.1 Background Information of Staff

The questionnaires inquired about various details related to the job role, work experience in the bank, educational qualifications, and professional qualifications they possessed. Their responses are noted in Table 4.4.

Table 4.4*Background Information of Staff*

Job role	Frequency	Percent	Cumulative Percent
Teller	17	23	22
Customer care	19	26	49
Loan officer	23	32	81
Sales representatives	14	19	100
Total	73	100	
Work experience			
Over 15 years	5	7	7
10-14 years	11	15	22
5-9 years	31	42	64
1-4 years	18	25	89
Less than 1 year	8	11	100
Total	73	100	
Education qualification			
PhD	1	1	1
Master's Degree	12	16	17
Bachelor's Degree	34	47	64
Diploma	21	29	93
Certificate	5	7	100
Total	73	100	
Professional Qualifications			
Chartered Financial Analyst	16	22	22
Certified Public Accountant	42	58	80
Financial Risk Manager	3	4	84
Human Resource Management	10	13	97
Certified Regulatory Compliance Manager	2	3	100
Total	73		

The findings in Table 4.4 show that 17 (23%) tellers, 19 (26%) customer care staff, 23 (32%) loan officers, and 14 (19%) sales representatives responded to the study. Regarding their work experience, 31 (42%) had worked in the same bank for a period of 5 to 9 years; this was followed by 18 (25%) who had worked for 1 to 4 years, and 5 (7%) had worked for more than 15 years. In terms of their educational qualifications, 34 (47%) had bachelor's degrees, 21 (29%) had diplomas, and 1 (1%) had a postgraduate degree. Additionally, 42 (58%) had CPA, and 16 (22%) had CFA qualifications. The results implied that the staff were willing to take part in the study, cutting across various departments. The staff that took their time to respond to the questionnaires were noted to have accumulated work experience between 1 and 9 years in banking operations. It was also equally noted that they majorly had a bachelor' degree and a diploma qualification.

They were thus conversant with the processes that took place with regard to strategic implementation processes. Their years of experience and educational background enabled them to align effectively with the present strategic processes to manage the resources allocated and in the management of change. Therefore, being in a docket that enabled them to comprehend the strategic implementation processes bolstered their ability to provide viable solutions to the customer demands. When compared with the results of Singh and Randhawa (2024), a similar pattern is noted as supported by a huge number of banking respondents with an experience level of 5-10 years.

The interpretation provided was that being present within the banking operations enabled them to have desired strategic management skills to make quality decisions that improved the financial performance. According to Iyobhebhe et al. (2024), the ability to develop strategic implementation skills was supported by the level of exposure to actions related to

decisions and evaluation of the actions. Additionally, being in a capacity to take instructions and execute strategies within a corporate set-up was attainable due to specific skills within the agreeable parameters of the strategic management process (Mwachuo and Kimaku, 2024). This was confirmed by the high number with bachelor's degrees and CPA qualifications.

4.5.2 Background Information of Bank Managers

The interview guide asked respondents to state how long they worked as managers in the bank, their educational qualifications, and their professional qualifications. Table 4.5 shows the results.

Table 4.5

Background Information of Bank Managers

Work experience	Frequency	Percent	Cumulative Percent
Above 15 years	3	20	20
10-14 years	8	53	73
5-9 years	4	27	100
Total	15	100	
Level of Education			
Postgraduate Degree	2	13	13
Master's Degree	7	47	60
Bachelor's Degree	6	40	100
Total	15	100	
Professional Qualifications			
Chartered Financial Analyst	3	20	20
Certified Public Accountant	5	33	53
Financial Risk Manager	3	20	73
Human Resource Management	4	27	100
Total	15		

Table 4.5 shows that the majority of the bank managers, 8 (53%), had worked in their current position for 10 to 14 years, while only 2 (20%) had worked for a period of above 15 years. In regard to their level of education, 7 (47%) had master's degrees, 6 (33%) had bachelor's degrees, and 2 (20%) had postgraduate degrees. Furthermore, 5 (33%) had CPAs and 4 (27%) had HRM qualifications. The results implied the managers had advanced experience of more than 10 years in their management roles and were well-learned in providing strategic leadership on the approach to use when implementing developed strategies. They had equally gained relevant experience in teamwork management with considerable efforts to attain the desired targeted goals.

The managers had strived to attain considerable academic and professional qualifications as a method of gaining relevant skills in various banking practices for effective decision-making. According to Singh and Randhawa (2024), the experience level pertaining to a specific field required consistent upgrading of skills through diverse professional courses for relevance in the field. Therefore, as far as strategic implementation was concerned, the managers were proficient based on consistent interaction with various banking systems within different business cycles.

4.6 Descriptive Analysis

4.6.1 Descriptive Statistics of Organizational Performance of Commercial Banks

Organizational performance was the dependent variable of the study, and the measured indicators included operational efficiency, customer retention, value of transactions, policy compliance, and risk management. Table 4.6 shows the results.

Table 4.6*Organizational Performance of Commercial Banks*

Statements N=73	1	2	3	4	5	Mean	SD
Operational efficiency has increased due to resource allocation	3 (4%)	5 (7%)	4 (5%)	24 (33%)	37 (51%)	4.12	1.142
Customer retention has improved due to strategic alignment	27 (37%)	23 (32%)	9 (12%)	8 (11%)	6 (8%)	2.25	1.325
Value of transactions has been boosted due to process development	2 (3%)	13 (18%)	4 (5%)	24 (33%)	30 (41%)	3.92	1.199
Change management has been implemented flawlessly.	7 (10%)	6 (8%)	41 (56%)	10 (14%)	9 (12%)	3.11	1.048
The presence of compliance staff has enabled the bank to adhere to banking regulations.	4 (5%)	9 (12%)	15 (21%)	18 (25%)	27 (37%)	3.88	0.971
Overall						3.46	1.137

Table 4.6 shows that 37 (51%) of the respondents strongly agreed and 24 (33%) agreed on a mean of 4.12 and an SD of 1.142 with the statement that operational efficiency has

increased due to resource allocation. The results implied that the processes were made more efficient and strategies implemented more effectively since the staff were furnished with all the requirements. This included even work division, organizational assets, training, and necessary goodwill to support their attainment of set goals. Therefore, implemented strategies were effectively done within feasible timelines and with less strain on commercial banks. It was also in agreement with Ndegwa (2022) who noted that the process of implementing strategies not only needed coordination of departments but also the provision of adequate resources to be complete.

This included training and assets that made it easier for the staff to attain the set targets. Furthermore, Tawse and Tabesh (2021) indicated that it was easier to attain the strategic implementation goal by ensuring that the given task had adequately trained staff that operated within the organizational environment and was exposed to the necessary infrastructure. This was to reduce time lags and demotivation. Moreover, Wäistö et al. (2024) posited that it was necessary for any execution of strategy to be done under close supervision but, more importantly, through the laid-down protocols and procedures that called out for operations within the provided organizational resources.

The study also, on the contrary, noted that 27 (37%) of the respondents strongly disagreed, and 23 (32%) disagreed, with a mean of 2.25 and an SD of 1.325, that customer retention had improved due to alignment of strategies to the mission and vision of the bank. The outcome reveals a major concern that has been affecting the commercial banks within the Kenyan market. The number of customers has been reducing at a worrying trend, with most of the customers noting a dissatisfaction with banking services. Therefore, the results were an indication that despite aligning their strategies with the vision, it was inadequate to

convince the customers of the reason for remaining loyal to their services. In agreement, CBK (2021) also indicated a reduction of customer accounts from 66.9 million to 63.3 million in 2020 and 2021, respectively. Similarly, there was also a decline of 64 million customer accounts closed due to several reasons in 2022 (Muiruri, 2022). Most of the customers complained of poor banking services and high fees within the commercial banking sector. According to Mwita (2023), competition from other financial institutions such as SACCOs and digital lenders was attracting more commercial banking customers with attractive interest rates and low transaction fees.

There were three interview questions asked among the 15 interview respondents that agreed to take part. The first question was on indicating how they ensured that the value of their transactions increased. Their responses were grouped into four themes, which include segmentation of clients, ensuring that there is innovation in products and services, strategic partnership, and market expansion. On segmentation of clients, the respondents indicated that they ensured that they targeted clients and institutions with high-value transactions. Through such a kind of approach, they were able to increase their sales through customization of interrelated products and services. A manager, M9, said that

“Any time a client notices that you have accorded them special attention, they tend to be more friendly and increase their volume of transactions.”

Additionally, the respondents noted that they also ensured that the provision of products and services was done in an efficient manner through innovative practices. Therefore, the expected turnaround time was less, leading to improved performance. Additionally, the respondents also indicated that their banks also made strategic partnerships with various corporations that offered supporting products and services. A manager, M12, said that

“We have partnered with Isuzu to provide our asset finance clients with recent models at a cheaper value.”

On the last theme of market expansion, the respondents indicated that they had engaged in vigorous marketing campaigns to attract new clients. They were also actively engaged in mapping out new regions that had the potential for expansion. According to Liang et al. (2025), the provision of all-rounded banking products that could support different classes of target customers was desirable since it encouraged them to invest in multiple channels for improved individual revenue.

The second question was seeking an elaboration of customer retention methods used in the bank. The three themes that were indicated by bank managers included offering quality customer service to clients, cross-selling alternative products, and rewarding loyal customers. On the theme of offering quality customer service to clients, the respondents noted that the banks had put into place extremely qualified staff at the customer service desks to support banking inquiries from the customers. The staff that were friendly maintained a healthy relationship with the clients for continued business ventures (Geke, 2021). In support of this finding, a manager, M3, said that

“Our customer service team members also ensure that they provide customized service to target clients to motivate them to invest more and uptake more products.”

The respondents also noted that their banks sold alternative products to existing customers to attract them to invest and subscribe to other products and services as well. This was a strategic method to maintain the customer’s interest. The last theme of rewarding the loyal customers was done through continuous marketing campaigns that sought to reward

selected customers. These programs enabled the customers to feel valued and appreciated. The results positively relate to Ali and Shabn (2024), who indicated that aggressive marketing and strategic rewards to high-value clients enhanced their loyalty to the banking institution. Furthermore, Bshayreh et al. (2024) noted that it was easier to retain a client than to attain a new one, necessitating continuous strategies to interest them with the banking products and services.

The last question was on various risks faced in the banking organization. The risks mentioned three themes, which include financial risks, staff risk, and cyber insecurity. On the theme of financial risks, the respondents noted that every transaction made has a risk of loss to the commercial bank. The loss was mainly due to human errors or omissions or recording a transaction more than once in the same category. There were other respondents who mentioned system downtime depriving the bank of a chance to earn revenue. On the theme of staff risk, the managers indicated that employee-related fraudulent activities were also risks experienced within the banking sector. This led to loss of revenue siphoned to an individual's account. On the theme of cyber insecurity, the respondents indicated that there were always malicious parties willing to sabotage the banking system to access information or unlawfully gain access to the banking finances. A manager, M15, said that

“Cybercrime is a risk the bank is exposed to, and its occurrence leads to not only loss of money but also the customer's trust.”

In agreement, Karoney (2022) revealed that cybercrime was considered a major threat to the banking industry due to the dynamic evolution of technology. The need to employ consistent strategies that are in line with the technological trend was desired.

4.6.2 Descriptive Statistics of Resource Allocation

In the assessment of the resource allocation, human capital feedback, financial accountability, turnaround time, CT infrastructure, and tracking of resource usage were the factors considered. The section had both questionnaire and interview questions. The results provided in Table 4.7 pertain to the questionnaire results.

Table 4.7

Descriptive Results of Resource Allocation

Statements N=73	1	2	3	4	5	Mean	SD
Consistent communication	0 (0%)	3 (4%)	52 (71%)	13 (18%)	5 (7%)	3.23	0.635
Human capital feedback is promoted	1 (1%)	5 (7%)	29 (40%)	25 (34%)	13 (18%)	3.83	0.898
Financial accountability is promoted	3 (4%)	5 (7%)	4 (5%)	24 (33%)	37 (51%)	4.18	1.085
The bank ensures that services are dispensed on shortest time	28 (38%)	17 (23%)	15 (21%)	7 (10%)	6 (8%)	2.49	1.573
Our bank has invested in modern ICT infrastructure	2 (3%)	5 (7%)	2 (3%)	28 (38%)	36 (49%)	4.25	0.997
There are organizational systems in place to track resource usage	2 (3%)	2 (3%)	60 (82%)	6 (8%)	3 (4%)	3.07	0.608
Overall						3.51	0.966

As per Table 4.7, the majority of the respondents, 36 (49%), strongly agreed, and 28 (38%) agreed, on a mean of 4.25 and an SD of 0.997 that their bank had invested in modern ICT infrastructure to support banking. In addition, with a mean of 4.18 and an SD of 1.085, more than half of the respondents, 37 (51%), strongly agreed, and 24 (33%) agreed that financial accountability was promoted to minimize wastage of resources. Nevertheless, 28 (38%) of the respondents strongly disagreed and 17 (23%) disagreed on a mean of 2.49 and an SD of 1.573 that the bank ensured that services were dispensed in the shortest turnaround time to reduce resource wastage.

The results implied that, it was thus notable that the commercial banks had made significant steps towards actualizing the formulated strategies. This included incorporation of modern ICT infrastructure and reduction of waste by holding each staff member accountable for the allocated resources. Through such steps it was possible to attain the set strategic goal during the implementation phase. In comparison, Kyalo (2023) indicated that the provision of policies that monitored the usage of resources amongst departments encouraged efficient utilization and accountability. Sitonik et al. (2024) mentioned that despite heavy investment in modern infrastructure in the commercial banking sector, the need for consistent results required quality controls to minimize under-utilization and wastage of institutional resources.

Therefore, as seen through the results, it is notable that dispensation of resources was effectively done in a manner that promoted accountability to reduce any chances for poor resource utilization. Nevertheless, the study noted that at times, the services took longer than expected due to factors within or beyond the institution. This meant that the clients experienced inconveniences when they most required the services, prompting a

consideration of alternatives to satisfy their demands. Similarly, Tefera and Abebe (2024) revealed that despite the intention to implement the required strategies within the shortest timeline, inadequate skills among the staff and system failures interfered with the timelines. Serge et al. (2024) found out that despite the preparedness of the banking staff, the high number of transactions conducted by a single client was also a possible reason for delayed service provision. Additionally, Yegzaw and Imiru (2024) established that since there was ICT and human interactions, inconsistencies caused by fatigue or poor execution of laid-down strategies lead to conflicting outcomes, which cost the banking organization time.

There were three interview questions asked among the 15 interview respondents that agreed to take part. The first question was on the communications methods used to inform the staff on the allocated resources. The main themes mentioned included email, phone calls, and printed paper forms. On the theme of email, the study noted that the staff were able to receive changes on strategies and resources accorded through official working emails. This enabled them to access information when they logged in to their work accounts. A manager, M7, said that

“We prefer emails since they have assurance that at least all staff not on leave will get the communication and have evidence for future reference.”

On the theme of phone calls, the respondents noted that when the matter was urgent, the staff received a direct phone call informing them of the funding changes. On the last theme of printed paper forms, the respondents mentioned that this was the last option considered, especially when the other two methods had already been used, requiring paper forms for record-keeping purposes. Additionally, paper forms of communication were mainly used when the other two methods were not effective. The results are also as established by

Mutisya et al. (2022) who pointed out that email and phone call methods of communication were frequently used within the commercial banking sector. Sibonde and Dassah (2021) indicated that memos pinned at the office board were also used, but Mutisya et al. (2022) argued that memos sent through emails were more effective and provided information to targeted audiences on time.

The second question inquired about how resource allocation boosted performance. The various responses are grouped into four themes that include departmental efficiency, improved customer service, workforce enhancement, and reduction of wastage of resources. On the theme of departmental efficiency, the respondents noted that every allocated strategy was efficiently funded and innovated through ICT. This brought improved task accomplishment at the department level due to the provision of necessary resources that are actively needed. Furthermore, Njenga and Odollo (2023) also discovered improved departmental coordination when there was an effective strategic resource allocation system. Secondly, there was improved customer service since the staff were motivated to provide necessary services. A manager, M11, said that

“The staff are able to effectively interact with the clients since they believe that systems work within the banking sector due to strategic resource allocation.”

The theme of workforce enhancement was also noted by various comments of the respondents. The respondents revealed that strategic allocation of resources was enhanced since there was recruitment of an adequate number of staff as part of resource allocation initiatives. Furthermore, there was the theme of waste reduction since strategic planning on how resources were to be distributed. According to Murunga and Deya (2022), strategic

management reduced ambiguity and enhanced responsible resource allocation with an organizational set-up.

The third question was on the challenges experienced in the process of enhancing clarity of goals for the staff. There were various challenges mentioned, beginning with employee resistance to conforming to organizational policies and procedures. Furthermore, there were organizational politics that led to work divisions and slow decision-making processes. The third challenge mentioned included a lack of adequate skills necessary for aligning the goals with the organizational vision and mission. The managers noted that some of the staff hardly ensured that they advanced their personal learning and development. This, therefore, led to increased stagnation and poor assimilation of recent knowledge.

The challenge of poor communication systems was also mentioned by Li (2024), who noted that when the systems did not support frequent communication and had no response feedback mechanism, it became hard to quantify such a structure as a communication system. In further agreement with the findings, Musheke and Phiri (2021) indicated that most communication structures in place had only one-way type of communication, where the staff received instructions through available communication channels. Any attempt to send feedback was minimally addressed.

4.6.3 Descriptive Statistics of Strategic Alignment

When examining strategic alignment, indicators such as teamwork/collaboration, learning and development, employee participation, decision-making, and work culture were explored. The section had both questionnaire and interview questions. The results provided in Table 4.88 pertain to the questionnaire results.

Table 4.8*Descriptive Results of Strategic Alignment*

Statements N=73	1	2	3	4	5	Mean	SD
There is team work in our banking branch	2 (3%)	3 (4%)	0 (0%)	8 (11%)	60 (82%)	4.40	0.630
Self-learning and development programs by staff	2 (3%)	4 (5%)	3 (4%)	29 (40%)	35 (48%)	4.25	0.969
Employee participate in development of strategies	29 (40%)	25 (34%)	2 (3%)	12 (16%)	5 (7%)	2.16	1.302
Evidence based decision making is present	1 (1%)	4 (6%)	8 (11%)	9 (12%)	51 (70%)	4.10	0.780
Strategy support system	1 (1%)	4 (6%)	51 (70%)	9 (12%)	8 (11%)	3.26	0.782
There is good work culture	0 (0%)	7 (10%)	4 (5%)	26 (36%)	36 (49%)	4.25	0.940
Overall						3.74	0.901

According to Table 4.8, with a mean of 4.25 and an SD of 0.969, the majority of the respondents, 35 (48%), strongly agreed, and 29 (40%) agreed that staff were allowed to undergo self- or organization-sponsored learning and development programs to enhance their strategic thinking skills. Nevertheless, 29 (40%) strongly disagreed and 25 (34%) disagreed on a mean of 2.16 and an SD of 1.302 that employees were allowed to participate in development strategies at the branch. The results implied that the commercial banks provided training within the environment of the institutions and equally allowed them to gain advanced skills through external sources.

Additionally, the banks were noted to sponsor in terms of funding and time off for the staff to attend specific trainings that were directly beneficial to the organization. That was in terms of their strategic thinking skills due to evolving business demands. In agreement with the finding, Muthaura (2021) revealed that being at a capacity to deliver desired outcome despite the change of time, required consistent updating of skills to desired levels. Another study from Monday et al. (2024) also agreed with the finding, particularly on the basis of promotion of learning at personal and organizational capacity to address evolving business demands through specific acquired professional skills.

That notwithstanding, the study discovered that not all strategies implemented in the commercial banks required the staff to be involved. This was an indication that the management could have been outsourcing some of the services to reduce the cost of operations from recruiting costly experts. Additionally, the results could also be interpreted as a lack of involvement of the employees in the development of strategies due to limitations of skills needed in decision-making processes. The results disagreed with Geke (2021) who noted that when employees were not involved in the development of policies,

it could mean that there were no management mentorship programs within the organization.

However, Jepleting et al. (2023) contradicted the objection on the basis that failure to involve employees in strategic development could be an approach meant to safeguard partially developed strategies from exposure to competitors. Moreover, Gewassa (2024) noted that some roles required specialty, which was minimally found or would be costly to the organization. Therefore, the interaction of these authors with different reasoning points out that the lack of employee involvement was based on specific reasons that aimed at ensuring the progress of the organization remained within a long-term perspective.

There were three interview questions asked among the 15 interview respondents that agreed to take part. The first question was on the methods used to align the strategies with the organizational mission. The following four themes were pointed out, which included entailing clarity on objectives, methods of measuring the attainment of the objectives, open communication, and monitoring. On the first theme, ensuring clarity on objectives was encouraged to promote that every staff member was in line with what strategic implementation needs were present. Therefore, the managers had a role in promoting employee knowledge on what type of strategies they were engaging in and how they related to the organizational mission and vision. A manager, M6, said that

“I believe moving in the right direction is better than speed. Therefore, promoting clarity on what strategies the staff are addressing is key.”

The second theme was on the establishment of methods of measuring the attainment of the objectives. This is to ensure that there are clear approaches used to ensure that banking

staff understood when they met the strategic objective or not. This is to provide clarity on who was performing or not (Jafri, 2020). Therefore, the performance metrics were relevant in reducing time wastage and encouraging work accountability among the respondents. The third theme included an open communication system whereby every manager had the responsibility of consistently keeping in touch with every staff member. This is in regard to ensuring that all their departmental questions are effectively addressed without delays.

According to Musheke and Phiri (2021), the staff's ability to communicate with their manager shows that they believe in the abilities of their supervisors in addressing departmental challenges arising when implementing strategies. The fourth theme on monitoring indicated that there was the need to ensure that every strategic action was effectively monitored. Monitoring is established to ensure that they are able to relate the actions in progress and what was desired. According to Nguyu (2022), any deviation from the actionable strategies is resolved through established organizational systems and processes. A manager, M14, said that

“It is an obligation to ensure that the strategic implementation process is in line with what was planned and formulated by the senior management.”

The second question was on the mention of learning and development programs that existed in various banks to support the staff on strategic alignment. The programs mentioned are in three themes, which include training on new products, Customer Relationship Management (CRM) workshops, and leadership development. The first theme of programs in existence included training on new products and services to encourage the staff to understand the various needs for the progress and how the recently formulated products and services were

to be provided to the customers. The training mostly took place within the banking environment and was continuously done till the staff understood the dynamics of the suggested products.

The second theme of CRM workshops was meant to equip the staff with various methods they could use to handle customer demands and solution provision. This was in line with promoting continuous engagement avenues that were meant to capture the interest and loyalty of the customers. Considered as a key strategic implementation plan by Rane et al. (2023), CRM workshops were mainly done to sharpen the staff's skills on how to relate with the customers in a healthy manner that promotes organizational values. The last theme on leadership development was a strategic approach developed to ensure that there is continuous mentorship of employees to leadership positions. Such a program involved a senior management member engaging directly with potential staff on specific leadership roles. This is to ensure that they are competent enough to address any leadership vacuum that is foreseen or unexpected. In agreement with the results, Mwita (2023) noted that leadership development programs allowed the staff a chance to interact with the management team in becoming the next leaders within the banking sector. A manager, M3, said that

“Establishment of a system where leadership positions are filled through internal appointments is considered one of the best strategic approaches in our bank.”

The third question was on the various platforms used to engage and allow staff participation in different decision-making roles. There were two themes that stood out, which included social networking platforms and corporate discussion forums. The first theme of the

platforms mentioned included social networking platforms where they were able to meet with various leaders through which ideas were exchanged between the staff and the respective leaders. There were also corporate discussion forums that allowed direct interactions between the leaders and the staff. The discussion forums established had a role in promoting interactive organized platforms that were aimed at sharing knowledge and allowing the staff to tap into leadership knowledge. Comparing the results with Njenga and Odollo (2023), corporate discussion forums provided a more professional avenue for the staff to share a platform with the leaders on various trending market issues.

4.6.4 Descriptive Statistics of Process Development

The exploration of process development was made through a consideration of digitization of operations, employee training, operational efficiencies, documentation of the process, and benchmarking. The section had both questionnaire and interview questions. The results provided in Table 4.9 pertain to the questionnaire results.

Table 4.9*Descriptive Results of Process Development*

Statements N=73	1	2	3	4	5	Mean	SD
Digitized operations to increase efficiency	20 (27%)	42 (58%)	2 (3%)	8 (11%)	1 (1%)	2.01	0.935
Consistent employee training	2 (3%)	4 (5%)	2 (3%)	37 (51%)	28 (38%)	4.16	0.928
Enhanced operational efficiencies	3 (4%)	2 (3%)	53 (73%)	11 (15%)	4 (5%)	3.15	0.739
Documentation of the process is provided	2 (3%)	7 (10%)	41 (56%)	12 (16%)	11 (15%)	3.32	0.941
Management ensures consistent review of processes	1 (1%)	7 (10%)	5 (7%)	36 (49%)	24 (33%)	4.03	0.957
Benchmarking practices are implemented	3 (4%)	4 (5%)	15 (21%)	24 (33%)	27 (37%)	3.85	0.816
Overall						3.42	0.886

Table 4.9 indicates that 28 (38%) of the respondents strongly agreed and 37 (51%) agreed, with a mean of 4.16 and a standard deviation of 0.928, that employee training was consistently done to equip them with knowledge on improved processes. Notably, with a mean of 4.03 and a standard deviation of 0.957, 60 (82%) of the respondents were in

agreement with the statement that the management ensured that there was consistent review of processes based on business demands and customer preferences. However, 20 (27%) strongly disagreed and 42 (58%) disagreed on a mean of 2.01 and a standard deviation of 0.925 that all operations had been digitized to increase efficiency.

The results implied that there were feasible efforts from the management to train its staff through various internal programs established in the banking institutions. The training was aimed at the provision of necessary strategic implementation skills that would impact progressive thinking and clarity on assigned tasks. Furthermore, the management was keenly monitoring the banking processes to ensure that they were in line with customers's demands and preferences from the staff. This was noted by Jepleting et al. (2023) to be a strategy of ensuring that the provided training matched with the business demands to make their services relevant. In comparison, Mutisya et al. (2022) indicated that changes in customer tastes and preferences on banking products were a focal point through which processes were improved and training provided accordingly to match with the demands. Any time clients provided feedback on their expected services, it enabled the management to understand their expectations and provide internal solutions towards addressing the need. If the need was not easily attainable or against the banking regulations, the same was still communicated to the clients as per the banking policies.

The study similarly pointed out that not all banking services of the commercial banks had been digitalized. On the one hand, limitations on funding, infrastructure, and necessary skills were possible causes for the delays. On the other hand, limited public knowledge of a fully digitalized banking service was a possible cause. A previous study, such as Yeboah et al. (2023) pointed out that limited technology transfer that would be safe and easily

comprehensible to the respondents was a major reason for the lack of fully digitalized banking operations. Additionally, Liang et al. (2025) noted that a lack of advanced strategies to support the process of full digitalization was the major impediment, while Li (2024) decried consistent cyber insecurity threats. Further, Serge et al. (2024) noted that full digitalization would negatively affect the corporate social responsibility since the presently recruited staff would lose their jobs to pave the way for the digitalization.

There were three interview questions asked among the 15 interview respondents that agreed to take part. The first question was on different processes that existed in this bank. The processes mentioned included the management of accounts, which included the opening and closing of customer accounts. The banks were also involved in the processing of loans to ensure that qualified borrowers were issued the required loans. The respondents also revealed that their banks processed salaries whereby they ensured that banking checks matured and allowed transfers of money through electronic means. Furthermore, there were other operations that included allowing the customer to deposit their savings in a reliable platform that guaranteed the safety of their money.

The second question was on mentioning the challenges experienced in process development. The problems were provided in four themes, which included promoting cyber insecurity, non-compliance with regulations, slow innovation, and not attaining customer expectations. On ensuring that there was cyber insecurity, the respondents mentioned that they were at risk of loss of money and interference with customer's information by unauthorized malicious hackers. There was also the challenge of staff partially complying, evading, or completely noncompliant with the regulation, exposing the commercial banks to fines, legal suits, and a general lack of trust from the clients. The third theme was on the concern of the

banking innovation not matching with the dynamic trends and systems used by hackers to infiltrate the internal operations. This was a great threat that required consistent collaboration with robust institutions such as the Central Bank of Kenya to promote the integrity of the banking systems. The other challenge includes failure to satisfy customers's expectations in banking operations. This limitation led to a decline in customer numbers and deposits. In agreement, Sibonde and Dassah (2021) indicated that customers are always right and have a right for their needs to be addressed within the shortest time. Therefore, system failures and poor relationships with customers lead to declined revenues over time. A manager, M5, said that

“We meet with various customers with different expectations of how to be treated. When this is not achieved, we lose that particular customer.”

The last question in this section was on how employee training needs were identified in the organization. The respondents mentioned that identification of employees's training needs was done through analysis of departmental needs. Through this method, the management was aware of the assets present and what was lacking. The specific employee weaknesses as identified by the supervisors were also another way to get wind of training needs. Backed by performance lags and the number of work-related errors, the managers were able to articulate the precise training perspective to support the staff.

4.6.5 Descriptive Statistics of Change Management

The examination of change management was done within the context of assessing change readiness, structures of implementing change, policy framework, leaders responsible for

change, and client demands management. The section had both questionnaire and interview questions. The results provided in Table 4.10 pertain to the questionnaire results.

Table 4.10

Descriptive Results of Change Management

Statements N=73	1	2	3	4	5	Mean	SD
Assessment of employee readiness is practiced	3 (4%)	2 (3%)	7 (10%)	28 (38%)	33 (45%)	4.18	1.005
Clear structures of implementing change in this bank	3 (4%)	5 (7%)	53 (73%)	4 (5%)	8 (11%)	3.12	0.849
The policy framework supports well founded changes	3 (4%)	2 (3%)	5 (7%)	27 (37%)	36 (49%)	4.29	0.964
Responsible leaders for management of change.	2 (3%)	7 (10%)	44 (60%)	15 (20%)	5 (7%)	3.19	0.811
Employees are consulted before changes	38 (52%)	10 (14%)	4 (5%)	11 (15%)	10 (14%)	2.21	1.544
The staff are adequately empowered	5 (7%)	1 (1%)	39 (53%)	18 (25%)	10 (14%)	3.37	0.975
Overall						3.39	1.025

As shown in Table 4.10, 37 (51%) of the respondents strongly agreed and 27 (37%) agreed on a mean of 4.29 and a standard deviation of 0.964 that the policy framework supported well-founded changes. The results implied that the establishment of policy frameworks within the commercial banks was profound and supported efficient strategic management processes. A process such as strategy implementation to initiate changes with departments supported growth and development of the banking institution as a whole. The relevance of policy framework was supported by Edewa (2021) who pointed out that various executions of banking services would not be possible if there were not such provisions.

Furthermore, consistent improvements to the policy frameworks to match with market demands (Giugale & Gündüz, 2024). In addition, with a mean of 4.18 and a standard deviation of 1.005, 61 (83%) of the respondents agreed with the statement that assessment of employee readiness was practiced by the management to ascertain receptibility of the staff to operational changes. This was an indication that the management took their role seriously towards assigning banking roles to qualified and motivated staff within their branches. They took their time to ascertain whether operational changes interfered with the staff's zeal to implement the required strategies and whether they were fit to represent the interests of the banks to the clients. As per the findings of Lebo et al. (2022) the capacity of the staff to accommodate strategic changes in their roles and responsibilities is the surest way that they are adaptable and can handle pressure.

Nevertheless, 38 (52%) strongly disagreed and 10 (14%) disagreed on a mean of 2.21 and a standard deviation of 1.544 that employees were consulted before changes in operations were implemented. The findings revealed that the intention to change working strategies was minimally communicated to the staff, hence lacking their contribution on best

practices. On the one hand, Maangi and Mang'ana (2023) also established that it was an indication of division of roles whereby the management formulated strategies and staff were required to implement them. On the other hand, Mwachuo and Kimaku (2024) noted that it was an indication that there was less teamwork involvement when making changes that would affect the operations of the staff within the banking sector.

There were three interview questions asked among the 15 interview respondents that agreed to take part. The first question was on the methods used to ensure that the staff had implemented the change management. There were three themes identified, which included clarity in communication, training and support, and the monitoring of the progress of staff. In regard to the theme of clear communication, the respondents indicated that the management provided all necessary information required to execute change among the staff. This also entailed providing feedback to their queries and ensuring that they were consistently motivated. A manager, M9, said that

“Change is as good as its communication structure. If there is scanty information on the changes to be made, so will be the action taken.”

Furthermore, the management also ensured that they trained and supported the staff on how to execute changes within the departments. This was done through frequent interactions to express specific knowledge needed to tackle a new task pertaining to the changes instilled. There were also processes that required monitoring, as the third theme pointed out. This, therefore, enabled the management to assess if the strategic goals of instigating change were attained as desired. The results agreed with Teshale and Nidhi (2024) who noted that when there was change, systems were restructured and programs reinvented. This therefore meant that the management was required to consistently monitor the situation to make sure

that every planned strategy was being executed as formulated and within the required timelines (Wäistö et al., 2024).

The second theme was on mentioning the changes that had been introduced in the commercial banks related to strategies. The various changes included developments with technology to cope with dynamic environmental demands, improved structures that supported competition, and more customer-focused strategies aimed at increasing their numbers and revenue. Similar changes were also mentioned by Bshayreh et al. (2024) who revealed that increased market demands called for a change of strategies to attain the desired expectations.

The third question was on the on-the-job training implemented to orient the staff on various changes done in the banks, more so in the adoption of new technology. The trainings implemented were mentorship programs that allowed junior staff to interact with senior management members to gain insights into how new technology would be implemented. This, therefore, gave the employees a chance to be exposed to hands-on experience and impartation towards realization of the strategic objectives. The other forms of training included being allowed to benchmark with other departments/branches to gain knowledge of what was required to be done. A manager, M2, said that

“The staff are able to learn through observing, asking questions, and being explained by senior management members on how a specific system works.”

The third theme on the training approach implemented through an expert recruited to expedite the learning process. This was to ensure that specific skills required were gained at the time of training for easier implementation of the technology.

4.7 Diagnostic Test

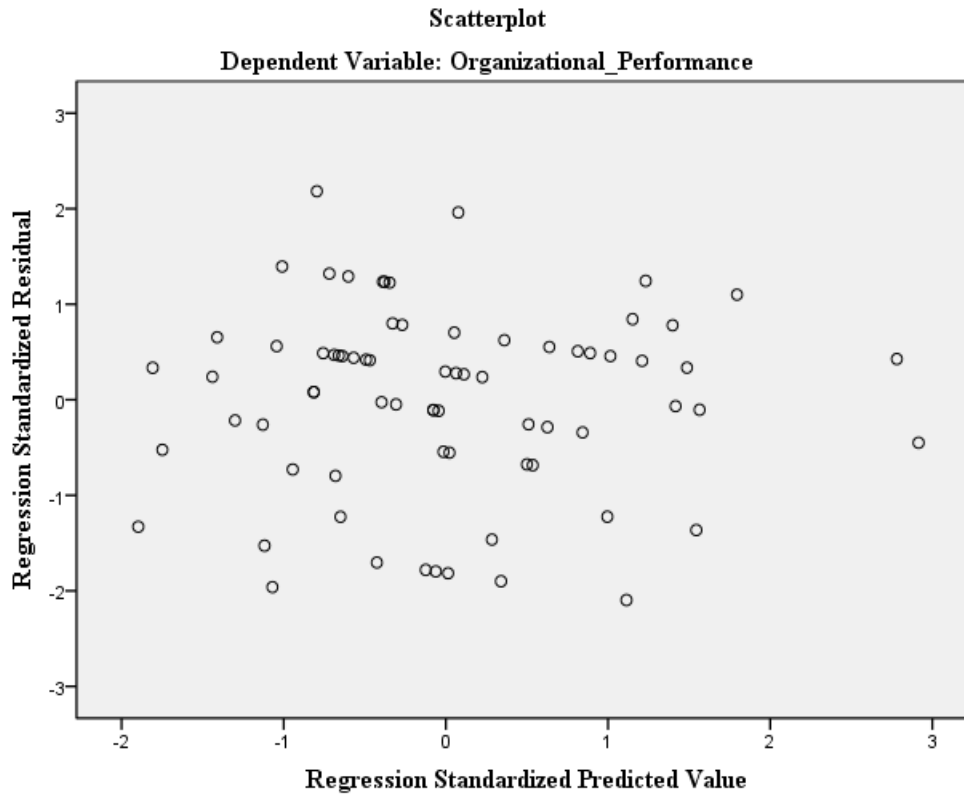
This study used diagnostic tests including heteroskedasticity tests, autocorrelation, multicollinearity, normality, and linearity.

4.7.1 Heteroskedasticity Test

The study used heteroskedasticity to determine if the data's constituents were evenly distributed or clustered. The test involved assessing whether there were any outliers in the data. The results are shown in Figure 4.1.

Figure 4.1

Scatter Plot as a Test for Heteroskedasticity



As seen in Figure 4.1, the majority of the residuals were not clustered together, indicating that the data under review was devoid of outliers. This shows that the data was unbiased and linear, thereby qualifying it for the main study.

4.7.2 Autocorrelation Test

The study used Durbin Watson to test if strategic implementation had an influence on organizational performance or if there was an abnormality. The results are provided in Table 4.11.

Table 4.11

Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.855 ^a	.731	.009	2.37312	1.654

Table 4.11 reveals that the Durbin-Watson value is 1.654, which is between 0 and 2, indicating a positive correlation. This implies that strategic implementation had a positive influence on the organizational performance of commercial banks in Meru County. That is, strategic implementation as an independent variable possessed the ability to improve organizational performance.

4.7.3 Multicollinearity Test

A multicollinearity test was utilized to examine how effectively each strategic implementation variable retained its unique character. Table 4.12 shows the results.

Table 4.12

Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Resource Allocation	.882	1.134
Strategic Alignment	.902	1.109
Process Development	.971	1.030
Change Management	.857	1.166

Table 4.12 shows that resource allocation has a tolerance of 0.882 and a VIF of 1.134; strategic alignment has a tolerance of 0.902 and a VIF of 1.109; process development has a tolerance value of 0.971 and a VIF of 1.030; and change management has a tolerance

value of 0.857 and a VIF of 1.166. The results show that all the variables had a tolerance of above 0.2 and a VIF of below 5, indicating that the interaction capacity of resource allocation, strategic alignment, process development, and change management was present but retained their individual characteristics.

4.7.4 Normality Test

The purpose of this test was to verify that the data was authentic in demonstrating that it was obtained from a normal population. Table 4.13 shows the results.

Table 4.13*Normality Test*

		Resource Allocatio n	Strategic Alignmen t	Process Develop ment	Change Managem ent	Organizat ional Performa nce
N		73	73	73	73	73
Normal Parameters ^{a,b}	Mean	20.5479	20.3288	18.2329	19.7260	16.3014
	Std. Deviation	2.50578	2.32770	2.39514	3.07887	2.38447
Most Extreme Differences	Absolute	.141	.159	.128	.136	.149
	Positive	.141	.159	.128	.136	.088
	Negative	-.098	-.106	-.098	-.096	-.149
Kolmogorov-Smirnov Z		1.203	1.358	1.092	1.160	1.277
Asymp. Sig. (2-tailed)		.111	.080	.184	.135	.077

a. Test distribution is Normal.

b. Calculated from data.

According to Table 4.13, the p-value for resource allocation is 0.111; strategic alignment is 0.080; process development is 0.184; change management is 0.134; and organizational performance is 0.77. Consequently, according to the findings, every variable had a p-value greater than 0.05, indicating that the data utilized in this study had a normal distribution. This, therefore, was an assurance that the hypothesis testing would be effective and valid when conducted in the study. Furthermore, the normal data indicated that when making confidence intervals, the study had assurance for accurate results.

4.7.5 Linearity Test

A linearity test was performed to analyze the influence of strategic implementation on the organizational performance of commercial banks in Meru County. Table 4.14 shows a linearity test.

Table 4.14

Linearity Test

			Sum of Squares	df	Mean Square	F	Sig.
Organizational Performance * Resource Allocation	(Combined)		56.232	12	4.686	.796	.653
	Between Groups	Linearity	4.468	1	4.468	.759	.387
		Deviation from Linearity	51.763	11	4.706	.800	.640
	Within Groups		353.138	61	5.789		
	Total		409.370	73			
Strategic Alignment	(Combined)		49.723	10	4.972	.857	.577
	Between Groups	Linearity	1.702	1	1.702	.293	.590
		Deviation from Linearity	48.021	9	5.336	.920	.514
	Within Groups		359.647	63	5.708		
	Total		409.370	73			
Process Development	(Combined)		68.122	11	6.193	1.107	.372
	Between Groups	Linearity	21.336	1	21.336	3.814	.055
		Deviation from Linearity	46.786	10	4.679	.836	.596
	Within Groups		341.248	62	5.504		
	Total		409.370	73			
Change Management	(Combined)		66.696	13	5.130	.883	.574
	Between Groups	Linearity	1.321	1	1.321	.227	.635
		Deviation from Linearity	65.375	12	5.448	.938	.516
	Within Groups		342.674	61	5.618		
	Total		409.370	73			

As per Table 4.14, the p-value for resource allocation is 0.640; strategic alignment is 0.514; process development is 0.596; and change management is 0.516. This indicates that since all the variables had a p-value of above 0.05, it shows that strategic implementation has a linear relationship with organizational performance. That is, during the process of linear regression, there would be no possible errors with the model.

4.8 Correlation Analysis to Test Hypothesis

The study analyzed Pearson correlation analysis and the results are provided in Table 4.15.

Table 4.15

Correlation Analysis of Strategic Implementation and Organizational Performance

		Organizational Performance	Resource Allocation	Strategic Alignment	Process Development	Change Management
Organizational Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	73				
Resource Allocation	Pearson Correlation	.379	1			
	Sig. (2-tailed)	.001				
	N	73	73			
Strategic Alignment	Pearson Correlation	.588	.147	1		
	Sig. (2-tailed)	.004	.214			
	N	73	73	73		73
Process Development	Pearson Correlation	.228	-.015	.108	1	.090
	Sig. (2-tailed)	.002	.902	.362		.450
	N	73	73	73	73	73
Change Management	Pearson Correlation	.633	.270*	-.193	.090	1
	Sig. (2-tailed)	.003	.021	.102	.450	
	N	73	73	73	73	73

*. Correlation is significant at the 0.05 level (2-tailed).

The results in Table 4.15 indicate that the correlation coefficient for resource allocation is $r = 0.379$ at $\alpha < 0.001$ and a 99% significance level. As a result, the study's null hypothesis, which stated that resource allocation had no influence on the organizational performance of commercial banks, was rejected. The results implied that proper resource allocation within commercial banks improves their performance and efficiency. As also found out by Muthaura (2021) alignment of resources with the mission and vision led to improved performance of Nyeri's commercial banks. Sitonik et al. (2024) found that allocation of resources such as skilled staff, technology, budgeting practices, and information systems led to increased financial performance within the Kenyan commercial banks. In Machakos County, Masya et al. (2022) found out that the implementation of strategies in commercial banks was noted to be positively correlated with allocated resources.

Mwachuo and Kimaku (2024) assessed how the performance of commercial banks in the Nairobi Metropolitan Area was impacted by the strategic management process. The design used in this study was descriptive. Notably, this study used a stratified sampling method to select three hundred and eighty-four respondents working in thirty-nine banks across the Nairobi Metropolitan. The findings of this study showed that setting clear and achievable goals influenced organizational performance in banks, as long as they were adequately furnished with resources. Additionally, the findings of the study demonstrated that strategic planning in banks comprised outlining the company's purpose, goals, and vision. Further, this study found that bank management made sure that all organizational levels were fully and explicitly informed of the goals and allocated the necessary resources. Nevertheless,

The correlation coefficient for strategic alignment is $r = 0.588$ at $\alpha < 0.004$ and a 99% significance level, as per Table 4.14. Therefore, the null hypothesis that stated that strategic alignment had no influence on organizational performance of commercial was rejected. The results implied that effective aligning of strategies within the commercial banks enhanced their performance. Wambui et al. (2023) established that the microfinance bank's performance improved tremendously when there was alignment with the operational transformations. Still within the scope of MFIs, Gatwiri (2024) found out that their performance was positively influenced by strategic alignments made in various key departments. Furthermore, Mburu (2020) noted that Kenya's commercial banks gained a competitive advantage due to strategy alignment practices by the management. Muthaura (2021) assessed how Nyeri County, Kenya's commercial banks' performance was influenced by strategic alignment. The study found that enhanced bank performance was the outcome of organizational alignment through the use of contemporary banking innovations, investments in the provision of modern technology that all employees could access, and the availability of human and financial resources under financial alignment.

The correlation coefficient for process development is $r = 0.228$ at $\alpha < 0.002$ and a 99% significance level. Consequently, the study rejected the null hypothesis that stated that process development had no influence on organizational performance of commercial banks. The results implied that the ability of the banks to adopt new products within their operations processes and improve their products to reflect the current market demands contributed immensely to their productivity. Mutisya et al. (2022) found out that when there were strategies in support of process innovations such as mobile banking within the Kenyan commercial banking sector, performance was noted to improve. In Cameroon, Serge et al.

(2024) found out that the financial institutions were able to enhance their performance through financial innovations that made the banking processes more efficient.

The correlation coefficient for change management is $r = 0.633$ at $\alpha < 0.002$ and a 99% significance level hence the most significant variable. Therefore, the null hypothesis that stated that change management had no influence on organizational performance of commercial banks was rejected. The results implied that the various modifications done within commercial banks were effective in increasing their productivity by ensuring that adequate frameworks were in place prior to implementing changes inside commercial banks. Notably, Wesonga et al. (2024) found out that the availability of policy frameworks within the bank guided leaders on how to implement change and ensure that the changes were adopted and implemented, resulting in increased efficiency and productivity of commercial banks.

Further, Sakindi and Njenga (2024) investigated how the financial performance of commercial banks in Kigali was affected by strategy structure fit. A quantitative method was utilized to gather data, and a cross-sectional study design was adopted. Top management, mid-level management, and lower-management levels were among the seventy-one respondents that made up the study's sample size. The results of this study showed that strategy-structure fit practices improved the profitability of commercial banks in Rwanda. This study suggests that commercial banks should hold seminars or planning meetings to involve workers at all levels in formulating goals and developing strategies. This could improve alignment between specific duties and the organization's general financial success.

4.9 Multiple Regression Analysis

Multiple regression analysis that included model summary, ANOVA, and regression coefficient analysis was conducted to determine the influence of strategic implementation on organizational performance. Model summary was used to determine the percentage influence of strategic implementation on organizational performance.

Table 4.16

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.731	.009	2.37312

a. Predictors: (Constant), Change Management, Process Development, Strategic Alignment, Resource Allocation

b. Dependent Variable: Organizational Performance

Table 4.16 shows that regression (R) is 0.855 and regression (R) square is 0.731, indicating that strategic implementation had a 73.1% influence on organizational performance. The results implied that strategic implementation practices such as resource allocation, strategic alignment, process development, and change management improved the performance of the commercial banks. Their consistent practice improved efficiency and effectiveness when dispensing the banking operations. In Ethiopia, Gewassa (2024) examined how organizational performance was affected by the implementation of strategy. The study used both explanatory and descriptive techniques. A total of two hundred and ninety participants from the Cooperative Bank of Oromia, including top-level management, were chosen by stratified sampling methods. Additionally, this study collected data through questionnaires.

The outcome showed that the strategic goals of the banks were properly explained to all staff members, and they were aware of the resources allocated to them to support them in accomplishing their targets. Lebo et al. (2022) assessed how Nigeria's deposit money banks' attainment of corporate goals was influenced by strategic change management. The findings of Lebo et al. (2022) revealed that organizational change had a substantial impact on performance. This study also noted that effective communication within the banks made it easier for any strategic implementation to be adopted by all staff members. This study recommended that commercial banks should come up with restructuring strategies that would mold and foster synergy among the workers and the company.

Additionally, the study conducted an ANOVA test to answer the general objective, which examined the influence of strategic implementation on the organizational performance of commercial banks in Meru County, Kenya. The results are provided in Table 4.17.

Table 4.17

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
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	Regression	299.416	4	74.854	46.96	.001 ^b
1	Residual	109.954	69	1.594		
	Total	409.370	73			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Change Management, Process Development, Strategic Alignment, Resource Allocation

Table 4.17 indicates that the significance value is 0.001 and the F statistic is 46.96. The results imply that since the significance value is less than 0.05, it shows that strategic implementation had a positive influence on the organizational performance of commercial banks. Atukunda et al. (2024) investigated how Ugandan commercial banks' profitability was related to financial innovations. This study used a cross-sectional research method to collect data from eighty-seven employees working in twenty-four commercial banks in Kampala. Notably, questionnaires were used to gather data from the study participants, including heads of departments in the banks. The study found that commercial banks' financial innovation was heavily driven by their ability to introduce and implement strategies, leading to increased profits. This study emphasized the importance of banking innovation, including introducing and upgrading the current products.

Further the study had a model that stated that;

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

β_0 is the constant term

Y=Organizational Performance

X_1 =Resource allocation

X_2 =Strategic Alignment

X_3 =Process Development

X_4 =Change Management

e is the error term.

Regression weights were calculated to ascertain the model's coefficients, as shown in Table 4.18.

Table 4.18

Regression Weights

Model	Unstandardized Coefficients	Standardize d Coefficients	T	Sig.	Table 4.18
	B	Std. Error	Beta		
(Constant)	9.443	4.004		2.358	.001
Resource allocation	.255	.090	.099	2.921	.003
Strategic alignment	.329	.127	.028	2.780	.001
1 Process development	.240	.119	.225	2.023	.002
Change management	.312	.098	.015	3.237	.001

a. Dependent Variable: Organizational Performance

demonstrates that the resource allocation coefficient is 0.255, strategy alignment is 0.329, process development is 0.240, and change management is 0.312, with an error term of 4.004. The variables' significance values are 0.001, 0.003, 0.001, 0.002, and 0.001, respectively. Therefore, when equated to the equation $Y = 9.443 + 0.255X_1 + 0.329X_2 + 0.240X_3 + 0.312X_4 + 4.004$. The results mean that organizational performance was increased by .255 (resource allocation) + .329 (strategic alignment) + .240 (process development) + .312 (change management). The results implied, since all the significance values were less than 0.05, it was noted that resource allocation, strategic alignment, process development, and change management were significant.

Resource allocation was noted to be significant mainly due to the fact that commercial banks ensured that the departments were provided with adequate ICT infrastructure to support the operations. This was done to ensure that there was less turnaround time required to dispense necessary services (Gandrita, 2023). Furthermore, the ability of the staff to provide feedback to the management was considered effective in resolving any emerging

challenges on the allocated resources. There were financial accountability measures put into place to promote responsibility for resources internally (Ibrahim & Obuba, 2023). Notably, one way this was done was through tracking resource usage to ensure that every action of using a specific type of resource was justified within the established policy framework parameters.

Alignment of different strategies with organizational mission and vision was also found to be significant in improving the financial performance of commercial banks. This was made possible through allowing collaboration between the management and the staff as well as among the staff (Karoney, 2022). This was in tandem with decision-making structures that allowed employees to take part in the implementation of the formulated strategies. Therefore, the organizational culture was bolstered, coupled with consistent learning and development initiatives both at personal and corporate levels (Tarifi, 2021).

With regard to process development, its significance level was mainly caused by improved operational efficiencies that were also imparted by appropriate documentation of strategic implementation processes (Mutisya et al., 2022). Furthermore, the effectiveness of benchmarking enabled the commercial banks to align their strategies with the market demands. Through such initiatives, the foundation for training employees, especially in the digitization of operations, was laid down to support their respective growth and development (Yeboah et al., 2023).

Acceptance of changes within the various departments had a notable significance towards enhancing organizational performance (Njenga & Odollo, 2023). This was mainly due to the policy framework in place to support structures that can support the implementation of change. Notably, being in a leadership capacity enhanced responsibility to support change

in relation to the management of clients' demands in the bank (Sakindi & Njenga, 2024).
Therefore, this incorporated teamwork initiatives and assessment of readiness to change.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study's goal was to investigate how strategic implementation affected the organizational performance of Kenya's Meru County's commercial banks. The particular goals assessed how the organizational performance of commercial banks in Meru County, Kenya, was affected by resource allocation, strategic alignment, process development, and change management. Data was gathered from 91 banking employees (22 tellers, 22 customer service reps, 26 loan officers, and 19 sales reps) and 19 branch managers using a descriptive research design. While the banking employees completed the questionnaire, the managers were interviewed.

5.2 Summary of Results

5.2.1 Resource Allocation and Organizational Performance of Commercial Banks

According to the data on resource allocation, 64 (87%) of respondents agreed that banks had made investments in cutting-edge ICT infrastructure to support banking. The communications methods used to inform the staff on the allocated resources, such as through email, phone calls, and printed paper forms. This led to improved departmental efficiency, improved customer service, workforce enhancement, and reduction of wastage of resources. In agreement, 62 (84%) respondents agreed that financial accountability was encouraged to reduce resource waste. However, poor learning and development, organizational politics, and employee resistance to conforming to organizational policies

and procedures affected the risk allocation process. The correlation coefficient for resource allocation is $r = 0.379$ at $\alpha < 0.001$.

5.2.2 Strategic Alignment and Organizational Performance of Commercial Banks

The results indicated that the commercial banks aligned the strategies with the organizational mission through ensuring there was clarity on objectives, developing consistent methods of measuring the attainment of the objectives, open communication, and monitoring. This was to ensure that the staff were conversant with the formulated objectives. Furthermore, the commercial banks provided training within the environment of the institutions and equally allowed them to gain advanced skills through external sources. This was attested to by 64 (88%) respondents who agreed with the statement. Notably, the various platforms used to engage and allow staff participation in different decision-making roles included social networking platforms and corporate discussion forums. Nevertheless, 55 (74%) disagreed that employees were allowed to participate in the development of strategies at the branch. The correlation coefficient for strategic alignment is $r = 0.588$ at $\alpha < 0.004$.

5.2.3 Process Development and Organizational Performance of Commercial Banks

The results revealed that the various processes that existed in this bank included opening and closing customer accounts, processing loans and salaries, and allowing the customer to deposit their savings in a reliable platform that guaranteed the safety of their money. Notably, 60 (82%) of the respondents were in agreement that there was consistent review of these processes based on business demands and customer preferences. However, 62 (85%) disagreed that all operations had been digitized to increase efficiency. This was due

to the cyber insecurity issues that affected the process development. Other concerns noted were non-compliance with regulations, slow innovation, and not attaining customer expectations. The correlation coefficient for process development is $r = 0.228$ at $\alpha < 0.002$.

5.2.4 Change Management and Organizational Performance of Commercial Banks

The results revealed that clarity in communication, training, management support, and monitoring of staff's activities were some of the methods used to ensure that they had implemented change management. Additionally, 64 (88%) of the respondents agreed that there was a policy framework that supported well-founded changes. However, 48 (66%) disagreed that employees were consulted before changes in operations were implemented. The correlation coefficient for change management is $r = 0.633$ at $\alpha < 0.002$ at a 99% significance level.

5.2.5 Organizational Performance of Commercial Banks

The results indicated that 61(84%) of the respondents agreed that resource allocation has improved operational efficiency. Therefore, since the workforce had what they needed, the procedures were made more efficient and the strategies were carried out more successfully. However, 50(69%) of the respondents disagreed that strategies aligned with the bank's mission and vision to improve client retention. The result highlights a significant issue that Kenya's commercial banks have been dealing with. The majority of clients have expressed unhappiness with banking services, and the number of customers has been declining at an alarming rate. The customer retention methods used by the banks included offering quality customer service to clients, cross-selling alternative products, and rewarding the loyal

customers. However, the banks were faced with financial risks, staff risks, and cyber insecurity risks in their operational activities.

5.3 Conclusions of the Study

The study thus concluded that resource allocation had a positive influence on organizational performance of commercial banks in Meru County. The ICT infrastructure to support banking was present and served the role of allowing information flow in both digital and non-digital channels. Additionally, the resources provided impacted efficiencies within departments, which improved the services provided to customers. There were also checks and balances to ensure resources were adequately utilized, but only to a certain extent. The limitations were mainly caused by organizational politics and employee resistance against banking policies.

The study thus concluded that strategic alignment had a positive influence on organizational performance of commercial banks in Meru County. It was made a possibility due to the setting of clear objectives, open communication systems, and consistent monitoring methods. The bank provided training to its staff to enable them to gain skills and also comprehend how their roles fit with the organizational mission. Additionally, despite the existence of social networking platforms and corporate discussion forums, the study did not establish any employee participation in the development of strategies.

The study thus concluded that process development had a positive influence on organizational performance of commercial banks in Meru County. The study noted that there were various processes that included opening and closing customer accounts, processing loans and salaries, and allowing the customer to deposit their savings in a

reliable platform that guaranteed the safety of their money. These processes were periodically reviewed to ascertain whether their contribution still aligned with the banking mission and vision. However, the process development within the banking sector was still affected by cyber insecurity, staff not complying with the set regulations, slow innovation, and not attaining customer expectations.

Change management was noted to positively influence the organizational performance of commercial banks in Meru County. The commercial banks were noted to have clear communication methods, robust management support, and training to support change management. There were also policies and monitoring processes meant to ensure that the implemented change was in line with the desired objectives. Nevertheless, minimal consultation of staff on purported changes affected their motivation to consistently take part in change management within various departments within the organization.

5.4 Recommendations of the Study

The recommendations on resource allocation are that senior management should ensure that there is impartiality in organizational politics to minimize its interference with even resource distribution among the commercial banking departments. The commercial banks' management should also take the initiative to train the staff on the relevance of resource allocation in connection with organizational values. Furthermore, the study suggests that there is a need for banking employee involvement measures to minimize the resistance level experienced within the banking departments.

The recommendations on strategic alignment are that the bank management could consider including strategy alignment as an area of concern in the mentorship programs in place.

This could be done through picking the best-performing staff to represent the opinion of the other staff on the best practices with regard to strategic alignment. Furthermore, the banking staff are also encouraged to advance their level of knowledge through engaging in learning programs that expose them to leadership skills. These attributes would be relevant in understanding the strategic alignment processes with the banking sector.

The recommendations of the study on process development are that the commercial bank's management could consider sensitizing the issue of cyber management within the banking departments. Through such an approach, the banking staff will understand how their daily interactions with ICT protect or expose the bank to cyber insecurity. Furthermore, the banking branch management is recommended to develop training programs on the relevance of the government's banking regulations towards protecting customers wealth and banking resources. The staff are also encouraged to develop a learning culture with a keen interest in various banking regulations in place. The banking staff are recommended to ensure that they develop innovative ways of interacting with clients and understanding their needs.

The recommendations of the study on change management are that the management should strengthen its policy framework that ensures that the staff are accorded a chance to be involved in strategic formulation. This will give them assurance that they are valued as members of the organization for the effective implementation process. Departmental banking leaders are also recommended to develop local interactive sessions with members to learn about the challenges facing the banking staff in executing various strategies within the banking environment.

5.5 Suggestion for Future Studies

The study dealt with strategic implementation and no other strategic management processes like formulation, monitoring, and evaluation. Therefore, future studies could consider expanding to other strategic management processes for efficiency. Additionally, the study included all commercial banks in Meru County in the three tiers. Future studies could consider assessing other financial institutions like SACCOs and Microfinance institutions. Future studies could compare the strategic implementation processes and their influence on organizational performance in each of the three tiers. Therefore, since generalization of the results can only be done within the context of Meru County, future studies could consider other studies in other counties as well.

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APPENDICIES

Appendix I: Introduction Letter

My name is Martin Mwongera Kirimi, pursuing MBA (Strategic Management) in Kenya Methodist University. As part of the course activities, I am conducting a study to examine the effect of strategic implementation on organizational performance of commercial banks in Meru County, Kenya. You have been identified as a suitable respondent and your consent is being sought to take part in the study.

Procedure to be followed

I'll need to ask you some questions retain the questionnaire and a checklist using the information you submit. You can opt out of this study if you don't want to take part. You will not be punished or harassed if you refuse to participate in the study, and your decision will not be used against you or have an influence on your job/health. Keep in mind that taking part in the study is completely voluntary. You are free to ask any questions you have about the study at any time. You have the right to refuse to answer any questions or to terminate an interview at any time. You are also free to exit the study at any moment without compromising the services you are already delivering.

Discomforts and risks

The nature of the queries you'll be asked will not be about personal topics hence will not cause discomfort to you. You have the option of refusing to answer either way. You can also terminate the answering of the questions at any moment.

Benefits

Strategic management members in the financial sectors may find relevant insights on various strategies that are implemented in commercial banks in Meru County. This information may be suitable in guiding their decision-making process on policy frameworks improvements. They could also get evidence through primary data collection, analyzed and reported on suitability of various strategic policy frameworks towards enhancing the organizational performance. Additionally, the banking staff in commercial banks of Meru County may also consider this study relevant since they will contribute much needed information on how strategic implementation has affected their output level. This means that their responses not only do they reflect their roles but also in assessing if the overall implementation framework of management strategic decisions is working or not.

Rewards

Anyone who wishes to engage in the study will not be compensated.

Confidentiality

The researcher will take time to explain the benefits and the responsibility that the respondents have in the exercise of data collection. This information will enhance their decision making such that they will be able to make informed choices. Confidentiality will also be maintained by ensuring that the personal details such as the name, mobile numbers, and addresses are not provided during the data collection process.

Contact Information:

If you have any questions, please contact the supervisors listed below:

Dr. Nancy Rintari, PhD
Dean of Postgraduate Studies
Email: dr.nancy.rintari@kemu.ac.ke

Dr. Paul Kirigia, PhD
Kenya Methodist University
Email: paul.kirigia@kemu.ac.ke

Participant's Statement

The remark concerning my participation in the study that was made before is obvious to me. I was given the opportunity to ask questions, and all of my concerns were satisfactorily addressed. I am absolutely oblivious to the fact that I am taking part in this study. I understand that my information will be kept private and that I can withdraw from the study at any time. I understand that regardless of whether I stop the research or not, I will not be treated unfairly at work, and that my decision will have no bearing on how I am treated.

Participant Signature..... Date.....

Investigator's Statement

I, the undersigned, have explained the procedures to be followed in the study, as well as the risks and rewards associated, to the participant in a language he or she understands.

Name of Interviewer..... Date.....

Interviewer Signature.....

Appendix II: Questionnaires for Banking Staff

Please provide your opinion on where you feel is appropriated based on the question asked.

Section A: Background Information

1. What is your job role?

- i. Teller ()
- ii. Customer Care Officer ()
- iii. Loan Officer ()
- iv. Sales Representative ()

2. What is your work experience in this bank?

- i. Over 15 years ()
- ii. 10-14 years ()
- iii. 5-9 years ()
- iv. 1-4 years ()
- v. Less than 1 year ()

3. What is your education qualification

- i. PhD ()
- ii. Master's Degree ()
- iii. Bachelor's Degree ()
- iv. Diploma ()
- v. Certificate ()

4. What professional qualification do you possess?

Section B: Resource Allocation and Organizational Performance

Please provide your opinion by ticking on provided spaces with regards to how you perceive the influence of resource allocation on organizational performance in your bank, to be.

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The branch manager consistently communicates what is expected and the resources to be provided to staff to enable them accomplish the task.					
2.	Human capital feedback is promoted to identify the challenges they have faced when implementing strategies.					
3.	Financial accountability is promoted to minimize wastage of resources.					
4.	The bank ensures that services are dispensed on shortest turnaround time to reduce resource wastage.					
5.	Our bank has invested in modern ICT infrastructure to support banking					

6.	There are organizational systems in place to track resource usage					
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Section C: Strategic Alignment and Organizational Performance

Please provide your opinion by ticking on provided spaces with regards to how you perceive the influence of strategic alignment on organizational performance in your bank, to be.

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	There is team work in our banking branch					
2.	Staff are allowed to undergo self or organizational sponsored learning and development programs to enhance their strategic thinking skills.					
3.	Employee are allowed to participate in development of strategies at the branch					
4.	Evidence based decision making increases the chances of making biased conclusions					

5.	Employees have a system that they can use to inquire on areas that they feel inadequate when implementing strategies.					
6.	There is good work culture that supports employee development.					

Section D: Process Development and Organizational Performance

Please provide your opinion by ticking on provided spaces with regards to how you perceive the influence of process development on organizational performance in your bank, to be.

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	All operations have been digitized to increase efficiency.					
2.	Employee training is consistently done to equip them with knowledge on improved processes					
3.	Operational efficiencies have been enhanced to reduce work related errors					
4.	Documentation of the process is provided to every staff to enhance their knowledge					
5.	The management ensures that there is					

	consistent review of processes based on business demands and customer preferences.					
6.	There are bench marking practices implemented to push quality processes					

Section E: Change Management and Organizational Performance

Please provide your opinion by ticking on provided spaces with regards to how you perceive the influence of change management on organizational performance in your bank, to be.

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Assessment of employee readiness is practiced by the management to ascertain receptibility of the staff to operational changes.					
2.	There are clear structures of implementing change in this bank					
3.	The policy framework supports well founded changes					

4.	There are leaders responsible for management of change.					
5.	Employees are consulted before changes in operations are implemented.					
6.	The staff are adequately empowered to handle and manage different client demands					

Section F: Organizational Performance

Please provide your opinion by ticking on provided spaces with regards to how you perceive the organizational performance in your bank, to be.

No	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Operational efficiency has increased due to resource allocation					
2.	Customer retention has improved due to alignment of strategies to the mission and vision of the bank.					
3.	Value of transactions has been boosted due to quality process development					
4.	Risk management processes have enabled change					

	management to be implemented flawlessly.					
5.	The presence of compliance staff has enabled the bank to adhere to banking policies and regulations.					

Appendix III: Interview Guide for Bank Managers

Section A: Background Information

1. How long have you been a manager in this bank?
2. What is your educational qualification?
3. What professional qualification do you possess?

Section B: Resource allocation and Organizational Performance

1. Explain the communication methods used to inform staff on allocated resources?
2. How does resource allocation boost performance?
3. What are the challenges experienced in the process of making goals clear to staff?

Section C: Strategic Alignment and Organizational Performance

1. Elaborate the methods used to align the strategies with the organizational mission?
2. What learning and development programs exist in this bank to support staff on strategic alignment?
3. Explain the platforms used to engage and allow staff participation in different decision-making roles?

Section D: Process Development and Organizational Performance

1. What are the different processes that exist in this bank?
2. What are some of the challenges experienced on process development?
3. Elaborate how employee training needs are identified in the organization?

Section E: Change Management and Organizational Performance

1. Explain how you ensure the staff have implemented the change management?
2. What changes have been introduced in the commercial banks related to strategies?
3. How does the on-the-job training get implemented to orient the staff on various changes done in the banks more so in the adoption of new technology?

Section F: Organizational Performance

1. How do you ensure that the value of transactions increase?
2. Elaborate customer retention methods used in this bank?
3. Explain various risks faced in this organization?